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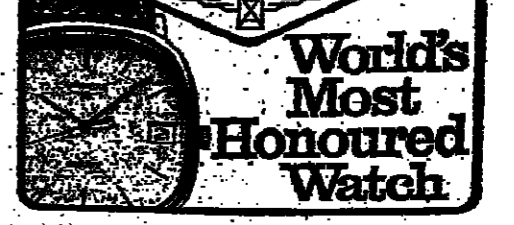
FINANCIAL TIMES

No. 27,322

Friday July 15 1977

\*\* 12p

LONGINES



NEWS SUMMARY

GENERAL Kerr quits: poll likely BUSINESS Equities and gilts resilient; \$ firmer

HEALEY TO MAKE COMMONS STATEMENT TO-DAY

Cabinet abandons plan for pay policy White Paper

BY RICHARD EVANS, LOBBY EDITOR

Firm Government plans for producing a detailed White Paper to-day on a revised incomes policy were abandoned by the Cabinet yesterday in an attempt to maintain a more flexible relationship with the unions.

Bread subsidy to end

By Elinor Goodman, Consumer Affairs Correspondent

ON THE EVE of an economic package that had been widely expected to include proposals to maintain food subsidies...

It had been expected since December, when the Government announced after the IMF negotiations that it was going...

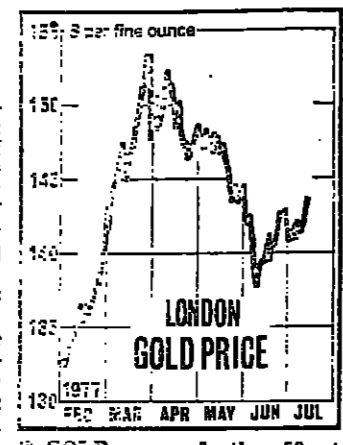
Light slowly returns to New York

BY JAY PALMER NEW YORK, June 14

POWER SUPPLIES were slowly being restored to New York and surrounding areas to-day, following the 12-hour electricity failure last night which brought scenes of mob violence and looting...

Later, several large New York City companies said that they would remain closed and issued radio appeals to their employees not to come to work. The New York and the American Stock Exchanges, as well as all the city's commodity exchanges, have decided not to open for business and all of the city's commercial banks...

Rees accepts jail findings Mr. Merlyn Rees, Home Secretary, accepted criticisms of error of judgment in the report on last year's four-day trial of a 31-year-old man...



runwick mail quest refused CUP Justice McKenna refused to grant High Court an order requiring the Post Office to hand over mail locked up in the Wickwood sorting office...

LONDON GOLD PRICE FEB BAR APR MAY JUN JUL

Terror suspect jailed 10 years Ciaran McKerr, 28, former leader in the British and Irish Armies, and a prime suspect for scores of bombings in Britain...

WALL STREET was closed as a result of the New York power blackout. MONEY SUPPLY grew last month after a sharp rise in May...

UFOs suspected Following the baffling deaths of 13 ponies on a remote part of a farm, members of the Seven Unidentified Flying Objects Centre...

WEST GERMANY is bearing its share of the load in efforts to stimulate world economic recovery. Helmut Schmidt said on his visit to Washington...

names tunnel 11-mile tunnel is to be built under the Thames as part of a 3.5m. interim scheme to improve transport links in London dock...

BRITISH STEEL has won a £12m. contract to plan and provide technical know-how for construction of interwork in Venezuela. GOVAN SHIPBUILDERS...

Chief price changes yesterday Prices in pence unless otherwise indicated. RICE: Burma 140pc 94-1111 + 1, Ceylon 140pc 94-1111 + 1...

TWO OFFICE blocks in London were sold yesterday for a total of £31.25m. Increased demand for industrial properties is shown by the latest Royal Institution of Chartered Surveyors... Financial Times Property Indicators Poll...

Trade deficit slightly up but trend is improving

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S trade deficit increased slightly in June following the import of two North Sea oil rigs...

Table with 3 columns: Year, Visible, Invisibles, Current account. Data for 1976 and 1977.

This follows a deficit of £337m. in the first quarter. While comparison is slightly distorted by an erratically high import total for January and by the oil rig purchases last month...

Non-oil exports have also been rising sharply: the volume of exports of manufactured goods rose by 7 per cent between the first and second quarters...

SCOTTISH and Universal Investments pre-tax profit slipped to £4.8m. (£4.95m) in the year to March 31. Page 22

SCOTTISH and Universal Investments pre-tax profit slipped to £4.8m. (£4.95m) in the year to March 31. Page 22

Three MPs' links with Poulson criticised by Commons report

BY PHILIP RAWSTORNE

MR JOHN CORDLE, Tory MP for Bournemouth East, was yesterday accused by an all-party Commons Select Committee of 'contempt of the House' in the conduct of his business connections with the Poulson organisation...

Mr. Cordle said it was 'highly gratifying' to be cleared of corruption. And Mr. Roberts echoed: 'I am quite happy about the result.'

Chief price changes yesterday Prices in pence unless otherwise indicated. RICE: Burma 140pc 94-1111 + 1, Ceylon 140pc 94-1111 + 1...

The committee also criticised the conduct of Mr. Reginald Maudling, former Tory Home Secretary, and Mr. Albert Roberts, Labour MP for Northampton, who were linked with Mr. John Poulson, the architect convicted in 1974 of corruption...

In 1994, he had initiated a debate on the Gambia, where he had represented Poulson, and appealed for more British aid to the colony to finance civil engineering developments.

What the EEC budget... Politics to-day... North Sea oil... ON OTHER PAGES...

Appointments Advs... Letters... Sports... Books... Pressures for Sale...

AN IDEAL BUILDING IDEA LOCAL... Richard Price... (See page 18 for details)



# Pasolini as Puritan

by NIGEL ANDREWS

and fantastical desires. The company's appetite is whetted each evening by naughty stories told them by one of three female raconteurs, and their lust is channelled into any and every form of deviant sex from sodomy to the eating of faeces. ("Normal" heterosexual intercourse is forbidden.)

Pasolini's vision of Hell, like Dante's, is divided into three "circles": the Circle of Manias, the Circle of Spilt Blood, the Circle of Lust. The last-named is the one most likely to try your stomach. Having exhausted sexual and excremental novelties, the Fascist masters resort to the ultimate degradation of their victims: bodily torture and murder. From an upstairs window, they watch through binoculars as their captives are assortedly blinded, branded, degouted, whipped and hanged; the first three of these activities being glimpsed by close-ups so lifelike that it would take the most eagle-eyed flimflapper to distinguish reality from special effect.

For all its chronicle of horror and depravity, I firmly believe that Pasolini's film is, in the most basic sense of the term, a

sexuality is seen as a half-way creature as Harryhausen, and the non-human cast here includes a minotaur, a giant wasp, a 10-foot troglodyte, a "Walrus Giganticus" and a troop of skeletons with crimson eyes and insect heads. As in preceding litigious do-gooders of our own times and our own society, Pasolini, I am sure, would have wished to dissociate himself from such company; but his film leaves room for speculation. This particular road to Hell is paved with puzzling and disturbing intentions.

As a piece of cinema *The Best Way To Walk* has none of the brooding greatness that hovers tantalisingly over Pasolini's film; but it offers a far more humane picture of a sexual unorthodoxy. Claude Miller, London's assistant to Truffaut, has written and directed a strange little tale about jealousy and sexual warfare among the staff at a boys' summer camp in

## Round House

# Ballet Rambert by CLEMENT CRISP

The Smiling Immortal of Norman Morrice's new ballet is Aphrodite, impersonated in this second Rambert programme by the nobly beautiful Lucy Burge. We see her first, a trembling, anticipatory figure surrounded by six handmaidens as she roars and rages of the sea brings male victims, rolled and tossed to her feet. The goddess and her attendants are the figures we know from vase-painting or antique statues, white draped; two men are in laiki-clothes, as if shipwrecked on the shore of Aphrodite's island, but their clothes are blood-stained. Morrice shows them already bearing love's wounds, contrasting their suffering, and their willingness to return to the goddess, with the calm, implacable manner that is Aphrodite's throughout the ballet.

If she is Phédre's Venus *l'adultère* as a *proie attachée* — Morrice implies — her chief victim is John Chesworth, a handsome, blind hulk to whom the two men seem devoted aides, manipulating him, and bringing him back to Aphrodite almost as a votive offering.



Smiling Immortal; Zoltan Imre and Lucy Burge in flight with John Chesworth

The mood of the piece is mysterious, sustained by a strong sense of a cold eye upon love as it destroys more than a lover. In duets between the two men—Zoltan Imre and Nelson Fernandez—and the female when it seems that Aphrodite, the compassionate, will care for the reclining Chesworth, ends with her hearted exultation upon his body. It is the blindness and the sheer waste of music for a swammer *Evening* that occupies two persons but ignores some of the composer's nocturnal imagery in favour of a sentimental moment. The programme also includes entris and encounters for his (John B. Read and John MacFar-

lane respectively) it makes a strong impact. He makes much use of a favoured device of choreographic canon and repetition in sequence. The men are seen in slow, richly muscular movement, the women in lighter, freer dances, and the work is an agreeable if somewhat bland air. It is obedient to the varied textures of Crumb's writing, but does not seem to get under the surface of the implications created by the implications of the sonorities. The programme also includes an absolutely puzzling work, created in tandem by Jaap Flier and Harrison Birtwistle, and involving six dancers, two trombones, two double basses and four percussionists. Somehow, somewhere there exists a relationship between the structure of the music and the development of the dance. What I saw was Sally Owen in a boiler suit carrying gently on while four other dancers, in three changes of leotards, moved slowly and dully, and the musicians created a great deal of unappealing aural decor. I found it all extraordinarily tiresome.



A scene from 'Salo'

Salo, or The 120 Days of Sodom, is based on work of wholeness or which no scene is tucked on or wedged in merely to titillate or scandalise. It features scenes of violence as so compact indeed is the film in every department from its tight, four-square framing to its spare dialogue—that not one of its 117 minutes seems redundant. As an *Aerial Warning* on the consequences of "dehumanised" sex, it is packed with powerful detail: "The only real anarchism is that of power," says one of the Fascists (quoting de Sade) and the tyrannical transformation of human beings into objects for machines for pleasure is a theme reflected in every aspect of the film's staging. The four scenes in the harsh, futuristic paintings with which Pasolini litters the walls of the villa.

What depresses me about the film is its monumental pessimism; a pessimism almost as much, for all its optimism, as what precipitated this revolution in Pasolini's moral outlook is a mystery; unless it was merely a pendulum swing from one hyperbolic world-view to another. Six scenes are merely with repudiating the evils of Fascism and of licence-through-power, Pasolini seems implicitly to condemn any and every form of unorthodox sexuality. Homo-

of the conflicts that arise between children and parents, and brother and sister, as the young grow up in a time of changing traditions and morals. At least I surmise that that is what it is about. Most of the film wanders disconsolately from scene to scene somewhat in the manner of *Crossroads* featuring the same ceaseless to-ing and fro-ing of characters to whom one soap opera crisis—love, pregnancy, seduction—crispes after another. The film won the Golden Peacock at this year's New Delhi Film Festival. Hearing which news, the mind boggles at what its fellow competitors must have been like.

Beginning at the National Film Theatre is a season of Francesco Rosi's films. Many of them you will already have seen in London in recent years at such venues as the Gate and the Other Cinema: *Sabotage* (1976), *The Mattei Affair* (1972), *The Indignities* (1972), *The Stunt Men* (1973), *The Mattei Affair* (1972), *The Indignities* (1972), *The Stunt Men* (1973).

The traditional menagerie of animated monsters is on view in *Sinbad and the Eye of the Tiger*, brainchildren of Hollywood's Special Effects supreme Ray Harryhausen. No one fashions such exotic fantasy

# Shakespeare Theatre Henry VI Part II by B. A. YOUNG

is fashioned in Part I, so it is a double bill. Acquire Gloucester whom Graham Crowden plays with great sympathy, now become irascible with age, though still the "good Duke," even with a wife in disgrace. Peter MacEnery's Suffolk, Babes in the Wood, is a shooting star, every sidelong glance proclaiming his arrogance, his handsome figure a fitting target for Margaret's ambition. His last scene with her fully realises the hope I formed the previous night. Mr. MacEnery has been absent from Shakespeare for too long. Helen Mirren's Margaret has grown sour and ill-tempered, but is still comparatively young and beautiful. As for the two principals, they matured space. Alan Howard's Henry is now occasionally able

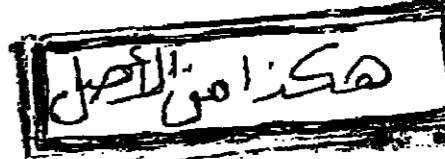
to make a decision without reference to Gloucester or the Queen, even though it is likely to be a weak decision. Yet he has a way of making his yilly clemency seem truly good. York, on the other hand, already sees himself the victor. Enrys James clearly has the part of the Crookback, with his satirical humour, his brisk, rather mincing step, his disregard for anyone's feelings but his own. The neo-Elizabethan production, as I have called it, proves its worth again and again. Scenes melt into scenes, each one contrived with a masterly simplicity that announces its content at once, so that there is much continuous action as if a football match. Jack-Cade's rebellion is built up beautifully from small beginnings to general uproar. Cade is played with a good understanding by James Laurensen that it is hard not to fall in on his side. The fighting time is of a more intimate brand—no cannone, only swords, clubs, or temporary weapons. Often just the sword, the invader, since their presence is enough to tell us who the conflict is between without the complication of extra soldiers or peasants. Only victorious York, with his hunchbacked son Richard and the two Nevilles occupy the stage as the final lights go down for the cliff-hanging finish.

## Book Reviews are on Page 27

**Morley College**  
**Lortzing & Martinu**

Abbey Opera's enterprising double-bill, given the first of the Hammersmith Symphony Orchestra, evidently find the style of *Die Operprobe* elusive. *Die Operprobe*, by Michael Benissa as Anna, chambermaid and conductor-in-chief of the Count's amateur orchestra, gives the most accomplished performance; she sings gracefully, and beats time with her feather duster as if to the manner born. John Walton, as the young Baron disguised as an itinerant singer—tenors are always in demand—has a good shot at the pastiche 18th-century aria of sentiment, while Sebastian Low, as his baritone servant Johann, projects the servant dialogue amusingly. For *Comedy on the Bridge*, in

both the singers, produced by Christopher Renshaw, and its original form an opera for double-bill, given the first of the Hammersmith Symphony Orchestra, evidently find the style of *Die Operprobe* elusive. *Die Operprobe*, by Michael Benissa as Anna, chambermaid and conductor-in-chief of the Count's amateur orchestra, gives the most accomplished performance; she sings gracefully, and beats time with her feather duster as if to the manner born. John Walton, as the young Baron disguised as an itinerant singer—tenors are always in demand—has a good shot at the pastiche 18th-century aria of sentiment, while Sebastian Low, as his baritone servant Johann, projects the servant dialogue amusingly. For *Comedy on the Bridge*, in



Dutch imports: Dfl. 88,060 million.  
Dutch exports: Dfl. 87,140 million.



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Balance sheet total in Dutch guilders 1967 Dfl. 3,435 million, 1976 Dfl. 22,266 million.

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EUROPEAN NEWS

EEC steel prices to rise in September

By Our Own Correspondent BRUSSELS, July 14. GUIDANCE PRICES for steel products sold in Britain which are covered by the EEC Commission's so-called Davignon plan will rise by between 0.2 per cent and 1.5 per cent on September 1...

Commission seeks wider North Sea herring ban

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EUROPEAN Commission has asked the Council of Ministers to approve a ban on herring fishing in the North Sea up to the end of next year...

Reprocessing plants plan

BRUSSELS, July 14.

THE EUROPEAN Commission today proposed setting up reprocessing plants for spent nuclear fuel to lessen the Community's dependence on outside sources of uranium...

Irishmen demand 50-mile fish limit

BY OUR OWN CORRESPONDENT

ANGRY IRISH fishermen have called on their Government to defy the European Court and unilaterally declare a 50-mile fishing limit...

GDP in Nine may grow by only 3%

By Our Own Correspondent

BRUSSELS, July 14.

REAL GROSS domestic product (GDP) in the nine EEC countries as a whole may grow by as little as 3 per cent this year...

Bundesbank reduces Lombard rate to 4 per cent

BY GUY HAWTIN

FRANKFURT, July 14.

THE WEST GERMAN Bundesbank today announced that it is dropping its Lombard rate by 1 per cent to 4 per cent in an effort to calm the money markets...

Record French jobless total

By David Curry

PARIS, July 14.

THE THREAT posed by a continuing high level of unemployment to the French Government's economic programme has been underlined by a record number of jobless...

Soviet delegate optimistic on Belgrade conference

BELGRADE, July 14.

THE CHIEF Soviet delegate at the preliminary session of the Belgrade follow-up conference on European security said today that he was very optimistic about a successful outcome of the meeting...

Swiss bank rate cut by 0.5%

BY JOHN AWICKS

ZURICH, July 14.

THE SWISS National Bank has decided to lower the bank rate several key issues at the preliminary meeting here to prepare for a full-scale conference in the autumn of the 1975 Helsinki accord on European Security and Co-operation...

PORTUGAL'S ECONOMY

No cause for flags—and no money

BY DIANA SMITH IN LISBON

THE PORTUGUESE public debt will amount to £3.2bn. by the end of this year. That is the equivalent of 38 per cent of GDP.

The foreign debt is around £2bn. with no chance of diminishing in the near future until industry and agriculture recover substantially.

The Socialist Government which wants to implement a broad welfare programme concentrating on education, health services and housing, increased its spending by 28 per cent from 1976 to 1977.

So far the budget deficit is estimated at £875m. To cover it the state must borrow abroad and from the Portuguese banking system.

Unemployment is a festering sore—16 per cent of the 3.2m. labour force (in a population of about 8.5m.) cannot find a job.

Textiles have traditionally provided a large share of Portugal's exports. But revolutionary turbulence, which drove up costs and slowed down production, as well as fierce competition from the Third World, has cut into that market.

The Government hopes to provide 300,000 new jobs within the next three years. Paradoxically, however, the bulk of investment in the public sector will go to capital-intensive, grandiose schemes like the Sines oil refinery and petrochemical complex...

per cent in Lisbon, 37.6 per cent in Oporto—leading to an average consumer price rise of 32.4 per cent in Lisbon and 37.3 in Oporto.

Portugal imports many products which domestic industries could supply. For instance, crockery £1.2m. worth in 1976, cutlery (£150,000 a year), cigarettes (£250,000). Despite import surcharges on non-

essentials, ranging from 30 to 80 per cent, and quotas, the situation has not altered markedly.

One of the most crucial problems of private industry is investment. Many businesses are under-capitalised, heavily in debt to the nationalised banks, and short of the sort of security that satisfies bank managers.

As the time approaches when Portugal might join the EEC, the weakness of the country's economic infrastructures become increasingly apparent.

Portugal has been 87,500m. from 11 countries including the U.S., Germany—which will supply 500m. between them the yawning gap is payments which it towards a deficit of this year.

Further loans will carry in 1979 and 1980 balance of payments. theory, can be right will never be satisfied until public and private effort to produce more efficiently—to correct old habits.

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# New York juggles high blackout

**PALMER**  
NEW YORK, July 14. Lightning in Rock-  
land, some 30 miles  
Manhattan, plunged  
city's 8m. inhabitants  
darkness for all of last  
second such black-out  
Within moments of  
and air conditioners  
cars began to  
shouts calling to  
emergency exits of  
ups, stuck lifts and  
leaving.  
ers rallied to the  
any different ways,  
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agents with hand-  
bags and prepared  
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The famous silhouette, more stark than usual, with only a few buildings retaining their customary blaze by emergency power.

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atray to the power  
ember, 1965, which  
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ng travellers stuck  
ree hours in stalled

New York Stock Exchange, said  
that they would not open today.  
Large office buildings, including  
Rockefeller Centre, said that they  
expected to remain shut while State  
authorities ordered the city's commercial  
banks not to open for business.  
In the same radio message, Mayor  
Beane launched a bitter attack on  
Consolidated Edison, the city's electric  
utility company. "They promised in 1965  
that it could never happen again," he  
said. "They will have to explain to me  
and the people of New York why we all  
spent the night in darkness."  
A spokesman for ConEd this  
morning called the black-out "an act of  
god." Stressing that the lightning bolt  
did not fall on the utility's nuclear  
power plant in Rockland County, he  
added that the destruction of power  
feeder lines caused a swift chain  
reaction of power failures and could  
not have been anticipated. "The New  
York State power-sharing system was  
just not enough to carry the load put  
on us by millions of air conditioners  
trying to battle the city's heat-wave,"  
he said.  
As New York City covers amid the  
very real threat that the power could  
all too easily go again to-night, the big  
question is why the black-out happened  
and how it can possibly be prevented  
from while a number of re-occurring  
ConEd has promised an exhaustive study in-

to the disaster. In the same vein,  
the emerging hero of last night  
now appears to be the New York  
telephone company which kept  
phones throughout the city work-  
ing all night to service 45,000  
emergency calls.  
On the streets of New York  
this morning, where tempera-  
tures are again forecast to rise to  
the high 90s by noon, few shops  
are open. Crowds are gathering  
to buy the few available special  
"black-out editions" of the New  
York Times and to look in  
broken windows. Strangers are  
nearly 20 hours, sit on curbside  
benches "supervising" civilian  
stopping strangers to tell anecdotes  
of the last black-out or volunteers  
directing traffic.

hear new tales of what happened  
to a friend of a friend during  
last night's long dark hour.  
With occasional daylight loo-  
ing still being reported this  
morning, the police are continu-  
ing to mount special guard on  
the banks and the drugstores—  
the latter to prevent narcotic  
thefts. But, for the most part,  
police cars are just patrolling  
with lights going to act as a vis-  
ible deterrent while exhausted  
foot patrolmen, many of whom  
have now been on duty for  
broken windows. Strangers are  
nearly 20 hours, sit on curbside  
benches "supervising" civilian  
stopping strangers to tell anecdotes  
of the last black-out or volunteers  
directing traffic.

"They were animals, just wild  
animals," one baggard and un-  
shaven police officer told me.  
"Nothing could stop them. They  
ignored all warnings and even  
pushed past our men trying to  
guard broken windows and  
walked out with stolen goods.  
We did our best but it was just  
not enough. Third Avenue in  
East Harlem is just demolished."  
A spokesman for the police  
department this morning con-  
firmed that well over 2,000  
arrests were made last night with  
the help of state police ordered  
into the city by New York state  
Governor Hugh Carey. The

Tombs prison, closed some years  
ago because of over-crowding,  
was re-opened to hold prisoners  
overnight.  
This morning New York is a  
quiet city. Traffic is exceptionally  
light partly because of the  
Mayor's plea but even more  
because of the way garage lifts  
are stuck and because the tun-  
nels across Manhattan's two  
rivers are closed due to lack of  
electricity to power ventilation.  
Even the buses, which kept  
running throughout the night,  
threatened to become scarce as  
fuel tanks ran out and cannot  
be refuelled.

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de conference

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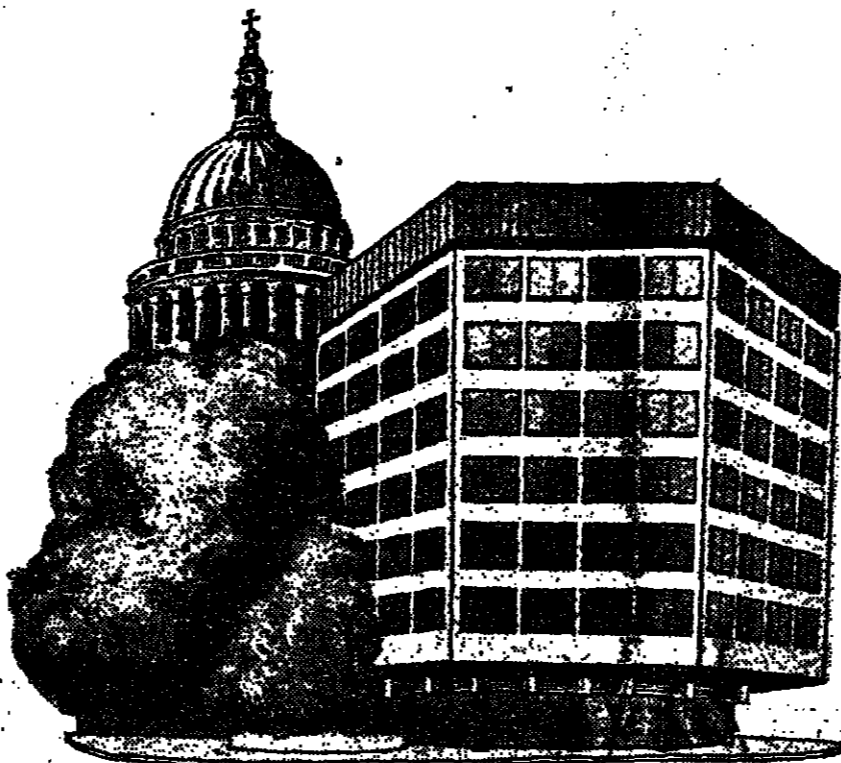
# weeks missing spy

weeks missing spy

# cuts provoke riots

O'SHAUGHNESSY

D riots, in which 10  
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as a result of riots  
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teachers union,  
he called a strike  
last the austerity  
rt of Trujillo, four  
one army officer.  
e reported to have  
in both towns and  
A curfew was im-  
posed. Last week,  
olle bishops in four diocese  
in the south of the country—Cuzco,  
Puno, Ayavivi and Sicuani—to  
attack the austerity plan force-  
fully.  
According to the bishops the  
Argentine plan "unloads the weight of  
the crisis onto the shoulders of the  
poorer sections of society,"  
and it has made a chronically  
violent situation "insupportable."  
The measures decreed by Sr.  
Piazza have also been attacked  
by the Revolutionary Socialist  
Party (RSP), a group set up last  
year by four generals who were  
influential in the first years of  
the military Government which  
came to power in 1968. The RSP  
has welcomed the departure of  
Sr. Piazza and has called for the  
complete revocation of his plan.



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OVERSEAS VIEWS

Blow to Hanoi as drought undercuts reconstruction

BY DAVID HOUSEGO, ASIA CORRESPONDENT

VIETNAM has suffered a major economic setback from the drought that has also badly damaged crops in southern China. The production, which was expected to increase by 14 per cent this year to 13.7m. tonnes, is instead likely to decline unless the summer/autumn crop can be salvaged by the intensive replanting and irrigation schemes now underway.

Japan may cut bank rate

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, July 14.

THE BANK of Japan is believed to be considering a further cut in bank rate (the third this year), following a sharper fall in industrial production in May than originally estimated.

U.K. pledges £144m. to India

BY K. K. SHARMA

BRITAIN has pledged £144m. in aid grants to India this year, a sharp rise from last year's \$92m. Both governments have begun discussions on faster utilisation of the aid and on ways to fit it into the pattern of development envisaged by the British.

NEW DIRECTIONS IN GHANAIAN POLITICS

Another cloudy dawn

BY MARTIN DICKSON

FALSE DAWNS with unfulfilled hopes of political and economic stability have broken too often over Ghana during 29 troubled years of independence for its people to set forward store by the rulers' ambitious schemes.

Violence breaks out after New Guinea poll

By Colleen Ryan

PORT Moresby, July 14. VIOLENCE broke out in the Papua New Guinea highlands yesterday as supporters of defeated candidates in this month's national election claimed that malpractices had rendered the ballot invalid.

Saudi princes in power struggle

By Ismael Hani

BEIRUT, July 14. THE resignation of one Saudi Prince and the promotion of two others within the space of one week are seen by informed diplomatic sources here as part of the jockeying for power in the Kingdom.

ON OTHER PAGES

International Company... German Ford profits... Austrian insurance... Farming and Raw Materials... Big U.S. soyabean crop forecast... Big Malaysian palm oil supplies assured.

WORLD TRADE NEWS

TURKEY'S ECONOMIC PROBLEMS

The price of weak government

BY METIN MUNIK IN ANKARA

IT IS very sad to see Turkey in its present state—with depleted foreign currency reserves, bottle-necked exports, planned investments unable to continue, inflation, unable to get new credits because it cannot pay back its short-term credits, unable to import because it cannot pay cash.

A worrying time for U.K. exporters

BY CHRISTINE MOIR

TURKEY'S CONTINUING balance of payments and foreign currency reserves crisis may mean the U.K. Government will have to pay out upwards of \$200m. in claims made by British exporters under the Export Credits Guarantee Department (ECGD) Insurance Scheme.

India angry over EEC quotas

By K. K. Sharma

NEW DELHI, July 14. COMMERCE MINISTRY sources here reacted sharply to reports that the European Economic Community has clamped down on imports of cotton yarn and garments from nine developing countries, including India.

Fiesta to be marketed in Japan

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD OF EUROPE is making a bid to break into the Japanese small car market, which has been traditionally unresponsive to European vehicles, with its new Fiesta model.

Swiss-Iran plan large scale joint projects

BY JOHN WICKS

ZURICH, July 14. SWITZERLAND and Iran may co-operate in a number of large-scale industrial ventures, including plants in the petro-chemical, machine-building and foundry industries.

Low profile Pirelli tyre

WASHINGTON

A new type of ultra low profile tyre was announced yesterday, Stuart reports. The new compound radial tyre only 60 per cent as high as it is wide.

Plessey arm data system

By Michael Donat

PLESSEY, the U.K. electronics and communications giant, is now working on a 22m. mobile data system for the Army, also expected to have a number of other potential applications.

Belize talks

MR. TED ROWLANDS, the Minister of State at the Foreign and Commonwealth Office with responsibility for Latin America, leaves London for Guatemala on Monday for talks on Belize issue with the Guatemalan government.

Following his talks with Mr. Arana, the Guatemalan counterparty, Mr. Rowland is expected to return to London on Tuesday.



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Weak govern

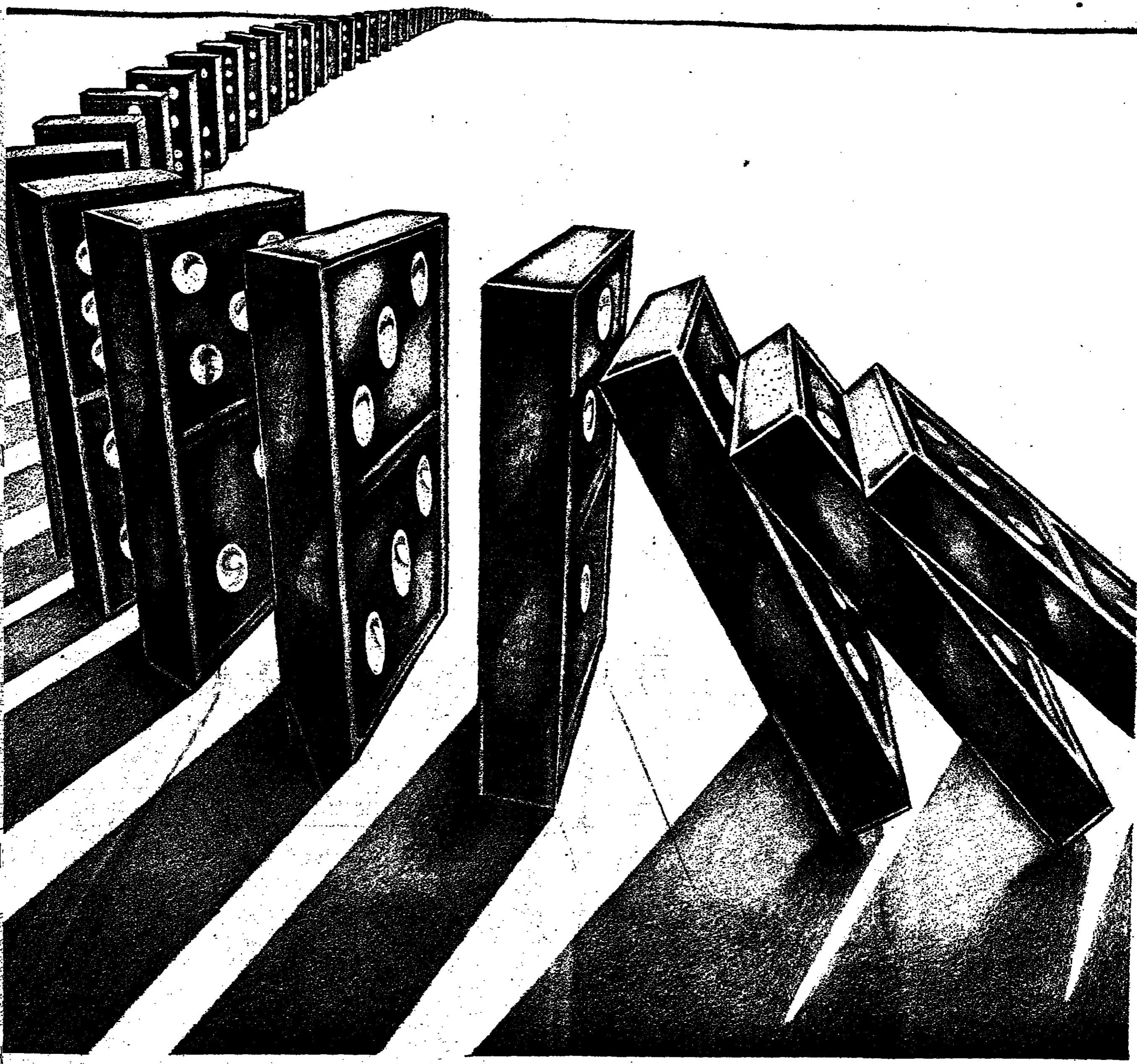
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# The catastrophe theory.

If it can happen, it will. It can happen, to you, to the person sitting beside you, to anyone.

Call it the catastrophe theory, the domino theory or what you like.

Accidents don't just happen, they multiply.

Last year alone, Britain's insurance companies paid out over £80 million for compensation to people hurt at work, over £22 million for house burglaries

and over £300 million to repair damaged cars.

Britain's insurance companies were prepared for it, though, by making sure that enough money was available to meet claims quickly.

Just look around you and imagine the most improbable chain of accidents that could ever happen.

Insurance companies pay out on things like that every day.

**BRITAIN'S INSURANCE COMPANIES.**  
INSURING BRITAIN'S FUTURE TODAY.

HOME NEWS

Reynolds quits Spar Holdings

MR. MICHAEL REYNOLDS, one of grocery retailing's most brilliant personalities, has resigned as managing director of Spar Food Holdings, Britain's largest voluntary group of grocers.



MICHAEL REYNOLDS "Like a Catholic marriage"

His resignation apparently follows a long-simmering disagreement over how the business should be run between Mr. Reynolds and Mr. David Linnell, the chairman of Spar and representative on the Board of Linfoods, the largest component wholesaler.

Spar Holdings is owned by 16 regional wholesalers. It co-ordinates the buying and marketing for about 4,000 independent retailers which buy their goods from the wholesalers that own Spar.

Speculation About how the group's turnover goes through Linfoods, whose managing director recently took over as chairman of Spar Holdings.

There has been speculation in the trade for some time that there was room in the same organisation for Mr. Linnell and Mr. Reynolds.

The disagreement apparently came to a head on Monday and Mr. Reynolds formally resigned on Wednesday night.

One of the points believed to be at issue was whether Spar Holdings should be run as a separate profit centre or whether it should act as a servicing organisation for the member wholesalers.

Mr. Reynolds, who with his bullish manner and aptitude for

public relations has done much to put the group on the map, wanted Spar to increase its profits every year, and believed that it was the managing director's job to see this happened.

Mr. Linnell apparently saw the job of managing director of a voluntary group as being nearer that of a marketing director in an ordinary company.

He said last night that Mr. Reynolds had made a major contribution to building up Spar, particularly by developing the group's range of own brand products.

But the feeling among the members of the Board seems to be that the best person to develop a new business may not be the right person to keep it going once it is established.

Mr. Reynolds, who has been with Spar for 13 years and previously worked with British Home Stores and Marks and Spencer, said he had no immediate plans.

"When I joined Spar, it was like a Catholic marriage and divorce has never entered my mind," he said with his usual appreciation of a good quote.

Bread industry is cleared by Monopolies Commission

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE BREAD industry was given a clean bill of health yesterday by the Monopolies Commission which said that Government intervention and not abuse of power by the big three companies, has led to low profits.

The Commission found no monopoly conditions operating against the public interest in the industry. During its three-and-a-half-year investigation, it did uncover restrictive agreements on distributors which should have been registered under the restrictive trade practice legislation.

Given the way the law operates, the Commission was prevented from considering these arrangements further during its inquiry. But it concluded that notwithstanding these pacts, there had been keen competition in dis-

counts and retail prices, when statutory provisions allowed. Because of this, it did not consider the big bakers charging the same price for bread as evidence of the groups preventing or restricting competition.

The report was welcomed yesterday by Mr. Garry Weston, chairman of Associated British Foods, one of the three big companies studied. It was "very fair and objective," he had been conducting during the most difficult period in the industry's history and had accurately identified the problems caused by Government interference.

The report found that no one company accounted for as much as one third (the criteria for a technical monopoly at the time the reference was made) of the U.K. market for either flour or bread.

Associated British Foods, Ranks Hovis McDougall and Spillers together accounted for about 80 per cent of the bread market and about 80 per cent of flour sales.

The Commission found a complex monopoly in the flour market in that each major group required its flour-using subsidiaries to buy flour from its mills, but concluded this was not against the public interest.

The report shows the great difference between profits made on bread and milling by the big groups with all the major companies making a loss on bread. The Commission concluded this disparity was to some extent due to the power of the big three groups and to milling being a

Engineers face problems, but outlook better

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE ECONOMIC position of the engineering industry is improving slowly and prospects for recovery are brighter than at any time during the last year, according to the Engineering Employers' Federation.

The federation says that the industry faces serious and immediate problems. World trade is not expanding as fast as forecast and competition, particularly from Japan, Germany and the U.S., is intense. At home production is barely rising fast enough to reduce unemployment.

The points are made in the first issue of a new quarterly summary of engineering indicators compiled by the federation's research and statistics department. The summary says that the investment essential to the industry's future is being held back by the rate of inflation and the uncertainty over the future of the money policy.

The federation says that there are no signs of a rapid increase in orders in the near future, although individual sectors should benefit from particular projects—for example, the orders that machine tool makers should get from British Leyland.

Production is rising very gradually, but at a slightly higher rate in engineering than in all industries combined. Part of this increase is being used to rebuild stocks.

Deliveries have picked up and the growth in the industry's output exceeded that in the economy as a whole in the first quarter this year.

On exports, the full effect of the stabilisation of sterling last year has yet to be felt. Export prices have risen a lot more than import prices have risen since the end of 1976.

The U.K.'s share of manufactured exports valued slightly at the end of last year, largely because of the previous depreciation of sterling. However, stabilisation of the pound, the depressed state of world trade will not make it any easier to rebuild the U.K.'s share world markets.

Output rises Dealing with employment productivity, the federation says that there are no signs of reversal in the long-term trend away from employment in manufacturing industry.

SUMMARY OF RETURN ON CAPITAL EMPLOYED - FLOUR MILLING AND BREAD BAKING. Table with columns for 1971, 1972, 1973, 1974, and per cent 1975. Rows include Historic costs basis, ABF, RHM, SPILLERS, and U.K. Manufacturing Industry.

Trade deficit down by £301m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE VISIBLE trade deficit narrowed by £301m to £667m between the first and second quarters, with £121m of the improvement coming from the oil account. The increasing importance of North Sea oil is

reflected in a 64 per cent rise in crude oil exports in the second quarter. The June figure of £122m is more than two-thirds of the total for the whole of last year. Exports generally have been rising strongly in recent months—up

6 per cent in volume on a quarterly basis. Import volume was 1 per cent higher, but after excluding the large imports of North Sea installations last month, there was a decline of 14 per cent between the quarters.

BALANCE OF TRADE. Table with columns for Exports, Imports, Terms of trade, and Oil balance. Rows show quarterly data for 1976 and 1977.

Money aggregates up sharply

THE U.K. monetary aggregates rose rather more rapidly last month, though the £77m, seasonally adjusted domestic credit expansion was partly offset by an outflow of funds, which helped to hold down the sterling money stock. The

figures for the first two months are generally still in line with the targets for the current financial year.

GROWTH OF THE MONETARY AGGREGATES (£m.). Table with columns for Money stock M1, Money stock M3, Bank lending, and Domestic credit expansion. Rows show monthly data for 1976 and 1977.

Account day switch

BY MARGARET REID

ACCOUNT DAY for the settlement of Stock Exchange share deals will be shifted back one day from Tuesday to Monday when the new Tallman computerised settlement system comes into force in 1978.

that the Council was overwhelmingly in favour of the change-over to the exact date which will be determined later.

It appears the advantages of the computer continuing to process deals over the week-end for settlement on Monday outweighed fears that the altered timetable might affect the speed with which clients redeployed the proceeds of share sales.

Entertainments Cont.

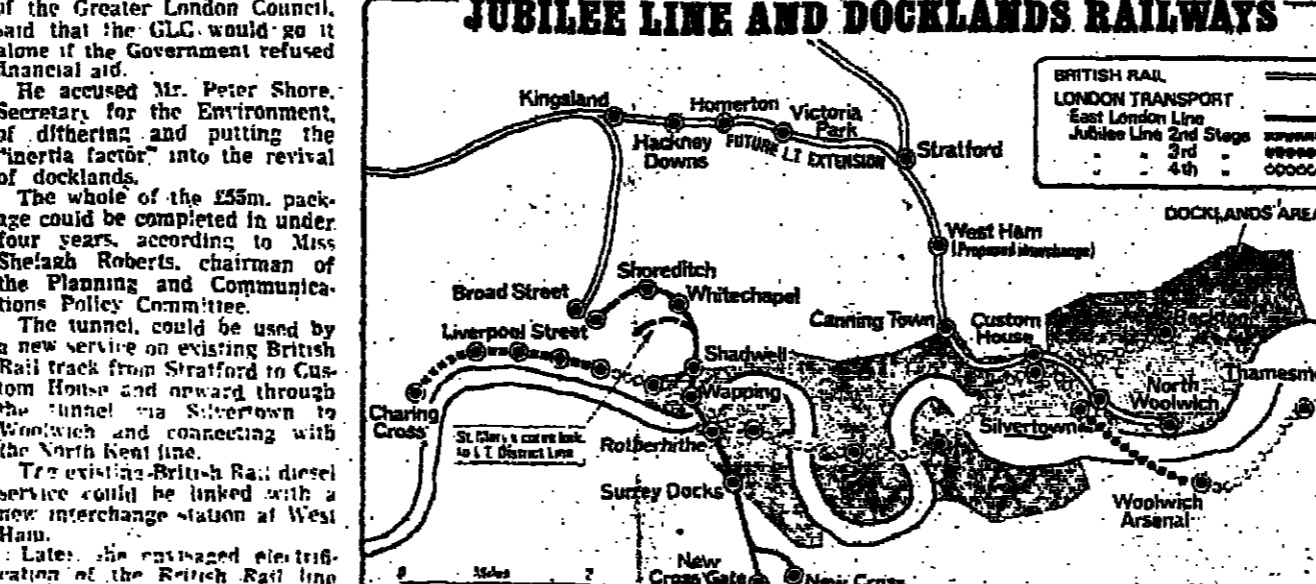
THEATRES WINDMILL THEATRE, 437 8312. THEATRE ROYAL, STRATFORDS. THEATRE UPSTAIRS. CINEMAS ABC 1 and 2. WINDMILL THEATRE. THEATRE ROYAL, STRATFORDS. THEATRE UPSTAIRS. CINEMAS ABC 1 and 2.

£55m. transport plan unveiled

BY STUART ALEXANDER

A TUNNEL 1.1 miles long is to be built under the Thames as part of a £55m. interim scheme to improve transport links in London's dockland.

There are 10 schemes for road improvements, most of which would begin in the near future and range in cost from £2.8m. to £300,000.



Newspaper closes

THE WELLINGBOROUGH Echo, one of three newspapers at the centre of the recent month strike by journalists, closed on Wednesday.

The banks confirmed that the new limit would take effect from August 1. The banks also pointed out that it would take time to phase out the present cards, which have the £30 figure printed on them.

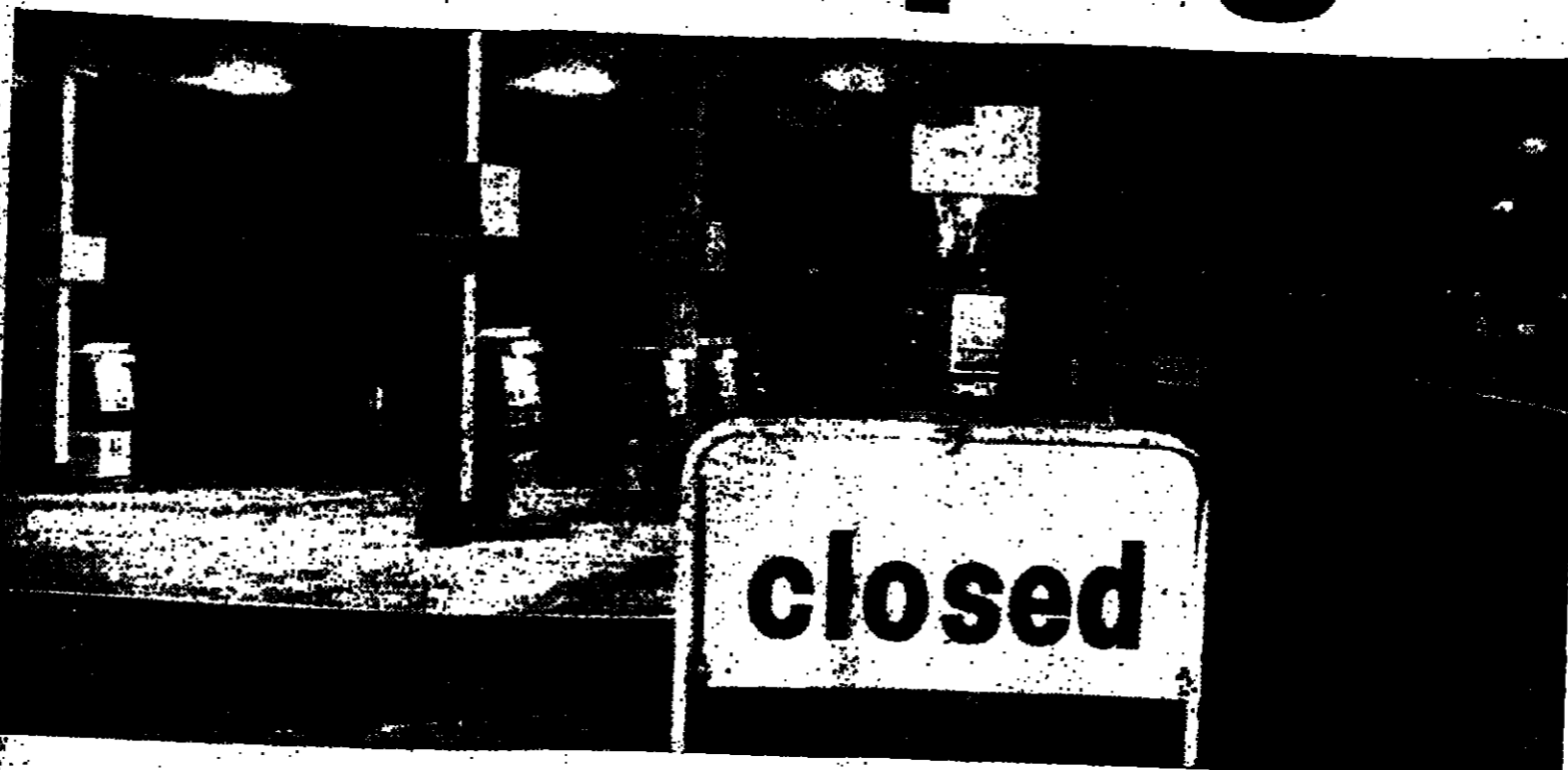
Under this scheme, each card is able to cover up to £50 for any one transaction within Great Britain and Ireland. It was said yesterday that the other members of the Association of Banks had agreed to exchange control regulations.

Under this scheme, each card is able to cover up to £50 for any one transaction within Great Britain and Ireland. It was said yesterday that the other members of the Association of Banks had agreed to exchange control regulations.



هكذا من الأصل

# There are times when you need a little extra per gallon.



The difference between a car with good ordinary economy and one with extra ordinary economy is often no more than a mile or so per gallon. But then a mile can be a long way with a petrol can.

The Marina is a car that gives you an extra mile or two for every gallon of petrol you buy. And when you think how much you buy in a year it adds up to a lot of miles.

Marina achieves this extra mileage through good design - a clean, stylish, efficient shape; and good

engineering - an efficient power-to-weight relationship.

Just how efficient Marina's fuel economy is, can be seen from the 1977 Total Economy Drive; the Marina 1.8 achieved 40.69 m.p.g. Top of the class.

In Drive's Cost of Motoring Index\* both the 1.3 and 1.8 Marina look quite irresistible on a cost per mile basis. (The AA's "Drive" Magazine July/August 1977).

A little extra effort from every gallon. Another little extra you get as standard from Marina.

## The extra ordinary Marina.



 **Morris Marina**   
From Leyland Cars. With Supercover.

Car featured Marina 1.3 Super 2-door £2383.29. Marina prices from £2267.46 including car tax, VAT and front seat-belts. Delivery and number plates extra. \*Including servicing, repairs, insurance, fuel, oil excludes depreciation.

Engineers problems outlook be  
BY BENNETH GOODING INDUSTRIAL  
Average tar of cigarette drops 12 per  
BY DAVID... SCIENCE  
Miller to he steering com  
BY BENNETH GOODING INDUSTRIAL  
New cheque li within British  
BY MICHAEL LANGEN

HOME NEWS

Steelwork exports show recovery signs

By David Freud, Industrial Staff EXPORTS BY constructional steelwork companies are recovering after the decline in the early 1970s...

The association, which held its annual general meeting in London yesterday, said that members' exports of fabricated and erected structural steelwork were 17 per cent. up last year...

Mr. Tony Humphries, chairman of Brathwaite and Co. Engineers, who was re-elected president for a third year, said members' overall production was still well below that of the peak year of 1973.

Production in 1973 was about 1m. tonnes, and in 1976 850,000 tonnes. Despite this, however, capital expenditure is higher than in other industrial sectors.

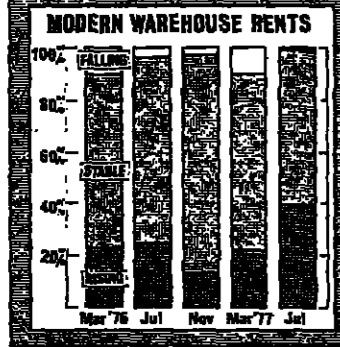
Mr. John Hackett, the deputy director, said that with the current reduced demand in the home market, which the association did not expect to exceed 80 per cent. of the 1973 figure for five years, companies were again turning their attention to exports.

The main export growth areas were West Africa and the Middle East. Companies were finding that their prices were now within a few percentage points of those of their Japanese and Far Eastern counterparts...

Pension scheme programme

BBC television is to devote a programme to the new State pension scheme at 11 p.m. on July 26 and repeat it at 12.10 p.m. on July 31.

It will describe the procedure for "contracting-out" or staying in the State scheme, what people will have to pay, and the "alternative pension" on contracting out.



Industrial rents rise

BOTH tenants and buyers are showing greater interest in acquiring industrial property. Rents in some of the busiest shopping locations are rising...

These trends emerge from the fifth poll of business indicators and activity in the property market conducted by the Royal Institution of Chartered Surveyors in conjunction with the Financial Times.

But the latest RICS-FT poll indicates a pronounced increase in tenant demand. On the national average, a third of respondents report that modern factory rents are rising...

Only £1.5m. aid sought by mineral explorers

BY PAUL CHEESEBRIGHT

MINING COMPANIES have been slow to seek Government support for mineral exploration projects. Only £200m. available for assistance. Only £1.5m. was allocated between February 1972 and March this year...

The Department's fifth annual report on the workings of the Mineral Exploration and Investment Grants Act, 1972, discloses that eight companies applied for aid on 15 exploration projects...

The Act permits the Government to provide aid for mineral exploration within Britain and on the U.K. continental shelf. Companies may seek up to 35 per cent. of costs up to the point where they make a decision on exploitation.

Since it came into force applications for £1.7m. of assistance have been made by 38 companies involved in exploration in 138 areas. Over half the projects were in Scotland, the rest in Wales, the Pennines, the West Midlands, south-west and northern England.

Government urged to clarify oil role in transport plans

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE GOVERNMENT should make a public statement on how long it expects oil to be available for use in major transport projects in order to clarify the position for transport planners.

Mr. Colin Buchanan, who was responsible in 1963 for the seminal report Traffic in Towns, which predicted disaster if planners failed to prepare for a fourfold increase in vehicle numbers by 2010, says that the present Government indecisiveness is dangerous.

On the one hand the Government was encouraging local authorities to take "repressive measures against the private car, while regarding any shortage of production by the car industry as a national disaster."

Mr. Stanley Brodie QC, for Norwest Holst, submitted that the Department should not have refused to disclose to the company the reasons for its decision to set up the investigation, and the evidence on which it acted.

Sir Colin accepts that recent events have served to emphasise the need to husband fuel resources, but rejects the idea of any "large-scale surrender of the enormous utility of the motor vehicle."

Department of the Environment, anxious to safeguard a countryside whose intimate quality does not lend itself to mining operations.

While the Department of Industry seeks advice from the Nature Conservancy Council and the Health and Safety Executive before granting aid for mineral exploration, the companies still have to find a way through a thicket of planning problems...

It may take several years to gain the consent needed for exploration. And further permissions are necessary for mining. The costs put off smaller companies, and few exploration ventures of recent years have suggested deposits of size attractive to major groups.

Another factor is that ownership of mineral rights is often obscure, especially in Cornwall, where Mining Exploration and Investment Grants Act, 1972. Fifth Annual Report by the Dept. of Industry, Commons Paper 455, S.O. 25p.

Norwest Holst 'entitled to natural justice' - QC

NORWEST HOLST, the civil engineering company, was entitled to receive natural justice from the Department of Trade when it was considering whether to invest in the company's affairs, a QC argued in the High Court yesterday.

Mr. Stanley Brodie QC, for Norwest Holst, submitted that the Department should not have refused to disclose to the company the reasons for its decision to set up the investigation, and the evidence on which it acted.

All this had to be borne in mind when considering in what circumstances the Minister should exercise his power to set up an inquiry into a company's affairs, said Mr. Brodie.

The hearing continues to-day. That genuine doubts exist in professional circles about the department's evaluation techniques, although he suggests that some of the environmentalists who have attacked the methods at public inquiries in the last few years have shown a willful disregard of the importance of the motor vehicle in goods and passenger transport.

Mr. Brodie told Mr. Justice Foster that the decision to set up an inquiry adversely affected a company's business. Its right to autonomy was seriously interfered with by the appointment of the inspectors, its rights of property and reputation were damaged, and its right to carry on business without let or hindrance was plainly affected.

Airport growth expected to rise

By Michael Dome, Aerospace Correspondent

THE NUMBER of air passengers using the seven airports owned by the British Airports Authority, and the municipally owned Luton Airport, is expected to rise at a rate of 7 per cent. a year...

The forecast by the authority came earlier than the civil aviation industry is climbing out of the recession which began in 1974-75.

Many of the industry's ideas will have to be revised with the more optimistic assessments being made about traffic growth.

The figures are based on what the authority forecasts for Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Edinburgh and Aberdeen, together with Luton. But they are broadly in line with forecasts for other airports, and so represent a trend for the U.K. as a whole.

Mr. Don Turner, the authority's planning director, says the forecasts are in line with estimates of traffic growth at other major Western European airports, and therefore reinforce the optimistic trends first discerned last year.

Passenger traffic in the south-east—increasing at Heathrow, Gatwick and Luton—is expected to triple from the present 31m. a year to 85m. by 1991.

In Scotland, the level of 4.2m. will double to 8.5m. a slower rate of growth because of the high proportion of domestic traffic involved, and improved rail services.

Leisure travel will grow faster than business travel in the eight airports, with a resulting increase in the number of charter flights. At present, leisure traffic accounts for about 70 per cent. of all air traffic in the south-east, and about 50 per cent. of that in Scotland.

While still a supporter of the comprehensive principle, Dr. Williams said later that he was disappointed that Mrs. Shirley Williams, Secretary for Education, had not included in her great debate the possibility of setting up special schools for academically bright children.

He told the conference of the Council for Local Education Authorities in Brighton yesterday that it was "frightening" to contrast the treatment of scholarly 14-year-olds in independent and grammar schools with what was happening in the comprehensive schools.

British Steel signs £12m. Venezuela deal

BY ROY HODSON

A MANAGEMENT contract which will be worth about £12m. to the British Steel Corporation has been signed with Venezuela for planning and technical direction in building a £800m. steel-works.

Mr. Callaghan, the Prime Minister, has personally been following the progress of British Steel's bid for the contract. It is the Government's hope that the relationship with the Venezuelans may be extended to British steelworks plant makers securing all or part of the equipment and construction work.

Davy International, the biggest British company in the sector, has already met the Venezuelans.

Meanwhile, the latest steel industry production figures for the public and private sectors in Britain show that trade is still in the doldrums.

June steel output showed no change from the May figure of 389,000 tonnes a week. That was 10 per cent. below the level of June last year.

Production for the first half of this year averaged 407,000 tonnes a week, 8 per cent. below the level for the same period a year ago.

"Demand for most steel products remained weak in June, with no immediate prospect of a substantial recovery in steel consumption," the Corporation and the British Independent Steel Producers Association said in a joint statement last night.

Comprehensives 'neglect academically bright'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MANY comprehensive schools are neglecting the interests of academically bright children, according to Dr. Harry Judge, a former comprehensive headmaster and director of the Department of Educational Studies at Oxford.

He told the conference of the Council for Local Education Authorities in Brighton yesterday that it was "frightening" to contrast the treatment of scholarly 14-year-olds in independent and grammar schools with what was happening in the comprehensive schools.

While still a supporter of the comprehensive principle, Dr. Williams said later that he was disappointed that Mrs. Shirley Williams, Secretary for Education, had not included in her great debate the possibility of setting up special schools for academically bright children.

Jobless 'to grow despite recovery'

By Michael Dixon, Education Correspondent

GOVERNMENT PLANS counter youth unemployment being used to distract attention from the problem that general unemployment is likely to be regardless of economic recovery says the Independent Manpower Society — an association of senior personnel officers in a report published to-day.

Unless economic growth reaches an improbable 5 per cent. a year, general unemployment seems bound to be or even grow, adds the report which urges more remedies such as workshare.

The report criticises the power Services Commission author of the youth unemployment plans, for failing to mention the problem in its recent document on long-term power policy.

Youth unemployment was separate, it was symptomatic of the general unemployment problem.

If the economy recovers, general problem would be remedied by sharing work with more people — short normal working hours, lending holidays, bringing forward retirement and rec over time.

Reclamation But because people unlikely to accept the leisure if it means a decrease their living standards, sharing measures needed considered urgently so the economy began to recover they could be introduced with a series of clear increments in living standards.

If the economy recovers, the society adds, a unemployment would grow severe unless tackled by creation of labour-intensive subject to underdevelopment. Experiments were reclamation, afforestation, way improvements and, p road construction.

Another remedy would removal of restraints development of small business. But the society sees redundancy legislation obstacle to the development of small business, and also to sharing by cutting over time.

It might be necessary to template a different redundancy protection not entirely on financial grounds, and which was final the lines of insurance, it said.

Table with multiple columns: AREAS, LON, WEST, REST, SE, N, EAST, YORKS & EAST, WEST, SW, SCOT., WALES, N. IRE. It contains data for various property types and regions across different categories like Offices, Prime Regional Shops, etc.

retailing is in almost all areas the single strongest sector of the property market. Investment demand for prime shops equals that for factories and warehouses—these sectors apparently having more general appeal to institutions at present than the office market. And with owner-occupier demand added to investment interest, the returns on the capital value of prime shops show overwhelming the firmest rising trend (77 per cent.).

14 ye tobacco define trying further substit to one- touch n Silk Cu touch le EVER

Steel  
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ela deal

The Financial Times

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# Silk Cut with tobacco substitute.

14 years of development rolled into one cigarette.

*The most sensible way to use tobacco substitute is to blend it with tobacco to produce a cigarette which the Government is prepared to define as low tar.*

In the 14 years since Silk Cut first saw the light of day, we've been trying to find ways to make it lower in tar.

This year, the Government gave their agreement to a method of further reducing tar: cigarettes containing a proportion of tobacco substitute.

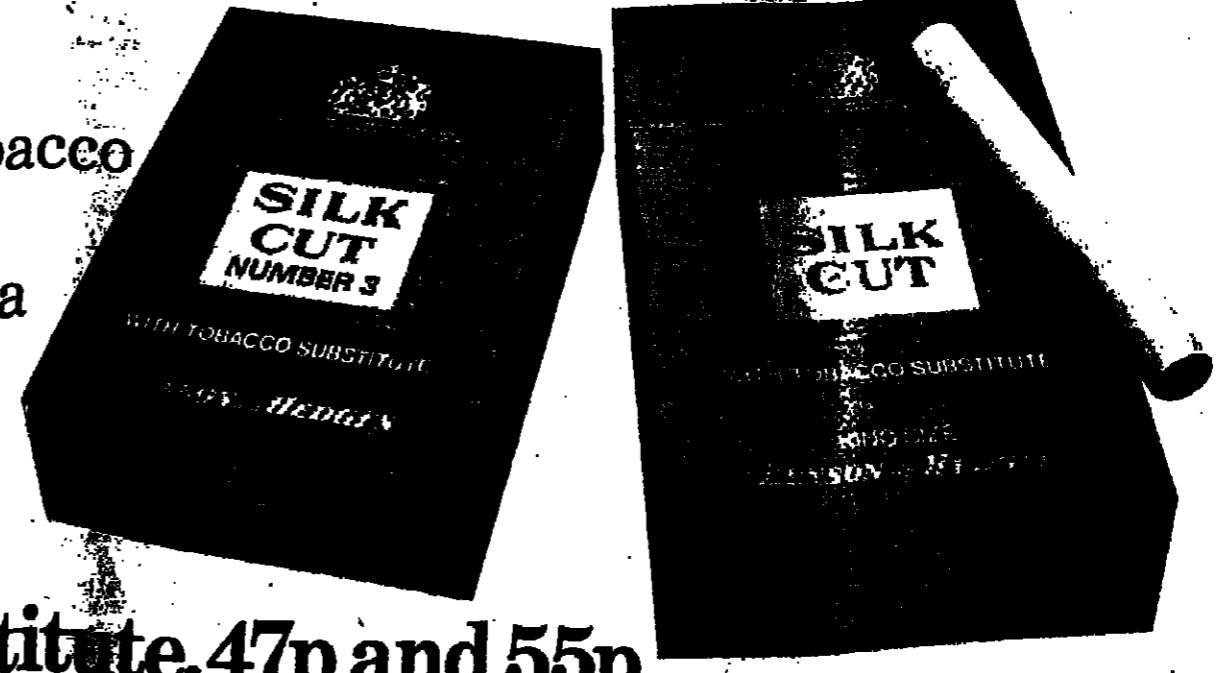
Hence our new cigarette.

It's a blend of three-quarters tobacco to one-quarter tobacco substitute.

Consequently, it offers smokers a touch more flavour than conventional Silk Cut. And, as you would expect, a touch less tar.

Silk Cut with tobacco substitute, 47p and 55p.

Recommended retail prices.



**LOW TAR** As defined by H.M. Government  
**EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING**

12 Technical Page EDITED BY ARTHUR BENNETT AND TED SCHOETERS

DATA PROCESSING Merchant banks are leading the way

ACCORDING TO Britain's Committee on Invisible Exports, the U.K.'s "private invisible transactions" last year grossed over £12.8bn. They accounted for one-third of the country's total foreign earnings and produced a surplus as they have done annually for the last 15 years.

Additionally, the PDP-11/40 has been upgraded to a PDP-11/70 supporting the same configuration as the other PDP-11/70. There are also about 60 visual display units and terminal printers divided between Fenchurch Street and Newbury.

Thus the bank is running on five DEC machines whose total capital and incidental cost is half that of the solution proposed by IBM.

French to push the exports A TEAM OF French senior civil servants led by an inspector de finances appointed by President Giscard d'Estaing is currently investigating the measures required to be taken if France is to mount a major industrial offensive in the computing area, both at home and abroad.



Metal Box's universal glass container depalletiser.

Much less risk of breakage

A PROBLEM when depalletising glass containers can be the breakage of their shapes and sizes during travel, instability and vibration. Compared with cans, which are provided in a very few basic units, the glass containers are also highly unstable.

Wobbler sorts the load

ALMOST EVERY category of mined material from gravel to coal can be sorted into sizes with a separator/feeding machine developed by the Pettibone Corp. in the U.S.

COMMUNICATIONS Pages in many ways

THE advantages of using a thesis voice speaking numbers which can have almost any desired meaning - for example the number of the phone he has to ring.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books.

ELECTRONICS Direct test of magnetic fields

A NOVEL unit which generates current pulses at a rate proportional to an applied magnetic field has recently been operated at the University of Southampton.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SS

BOND DRAWING

SANDVIK

SANDVIKENS JERNVERKS AKTIEBOLAG

US\$15,000,000.00 9 PER CENT BONDS 1986

Bank of America NT & SA, London hereby give notice that, in accordance with the terms of the above Loan, the Redemption for the 1st August 1977 has been carried out by a drawing of the undermentioned US\$750,000 (nominal) Bonds at par on the 11th July 1977.

Drawn Bonds may be presented to Bank of America NT & SA, 25 Cannon Street, London EC4A 3BN or the other Paying Agents named on the Bonds. Bonds surrendered for redemption should have all unexpired coupons appurtenant thereto, coupons due 1st August 1977 should be detached and collected in the usual manner.

For payment in London, Bonds must be lodged through an Authorized Depository. Bonds will be received on any business day and must be left three clear days for examination.

Table with columns for bond numbers (e.g., 2, 5, 27, 49, 55, 66, 76, 94, 104, 140) and corresponding values.

Bonds drawn total US\$750,000 15th July 1977

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INSTRUMENT Sees onset of decay THE deterioration of food through fungal or bacterial action can be detected...

Wobbler sorts the load ALMOST EVERY category of mined material from gravel to coal can be sorted into sizes with a separator/feeding machine...

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ABOUT NEWS

Bank union agrees to new services for pay increase

GARNETT, LABOUR STAFF

NATIONAL Union of Bank... The new services were made possible by the 1978 TSB Act...

Car men to seek £20 rises

By Arthur Smith, Midlands Correspondent

IMPORTANT sections of the motor industry are defying the TUC and seeking to evade the present Phase Two pay controls.

Lord Gibson only opposes closed shop 'by coercion'

BY PAULINE CLARK, LABOUR STAFF

LORD GIBSON, chairman of the group which owns the strike-hit Darlington newspapers, made it clear yesterday that he was opposed to newspaper closed shops only where they were achieved by coercion rather than by persuasion.

Executive changes at Ass. Television

no executive responsibility for Bearbrook.

Mr. Jack GILL, executive deputy-chairman, ASSOCIATED TELEVISION CORPORATION, has been appointed deputy chief executive...

Art refuses order hand over mail

LABOUR STAFF

MR. MACKENNA (fused in the High Court) requiring the Post Office to hand over mail locked in the postboxes...

Miners 'no' to free coal plan

By Alan Pike, Labour Staff

THE NATIONAL Union of Mineworkers executive suffered another reversal yesterday when a members' ballot rejected a recommendation to approve a concessionary coal scheme.

Holding out

Similar action is planned by the 5,000 workers at Leyland Cars' Triumph plant at Canby, Coventry, where the annual agreement should have come into force on the beginning of this month.

Workers at Jaguar, Coventry, have been holding out for several months as their agreement was due to run from May 1.

Call for action by railwaymen

By Ray Perman

RAILWAY WORKERS' delegates yesterday mandated their union to oppose the Government's proposal for a post-entry closed shop and give assurances instead that it would be "the nice to them," about pay.

Grunion wants swift inquiry

GRUNWICK Court of Enquiry said yesterday that it expected the union's evidence would probably be in until the inquiry's hearing next Tuesday.

Lord Justice Scarman said that unlike a court of law, responsibility for calling witnesses rested solely with the court of inquiry.

Wobbler sorts the load

Wobbler sorts the load

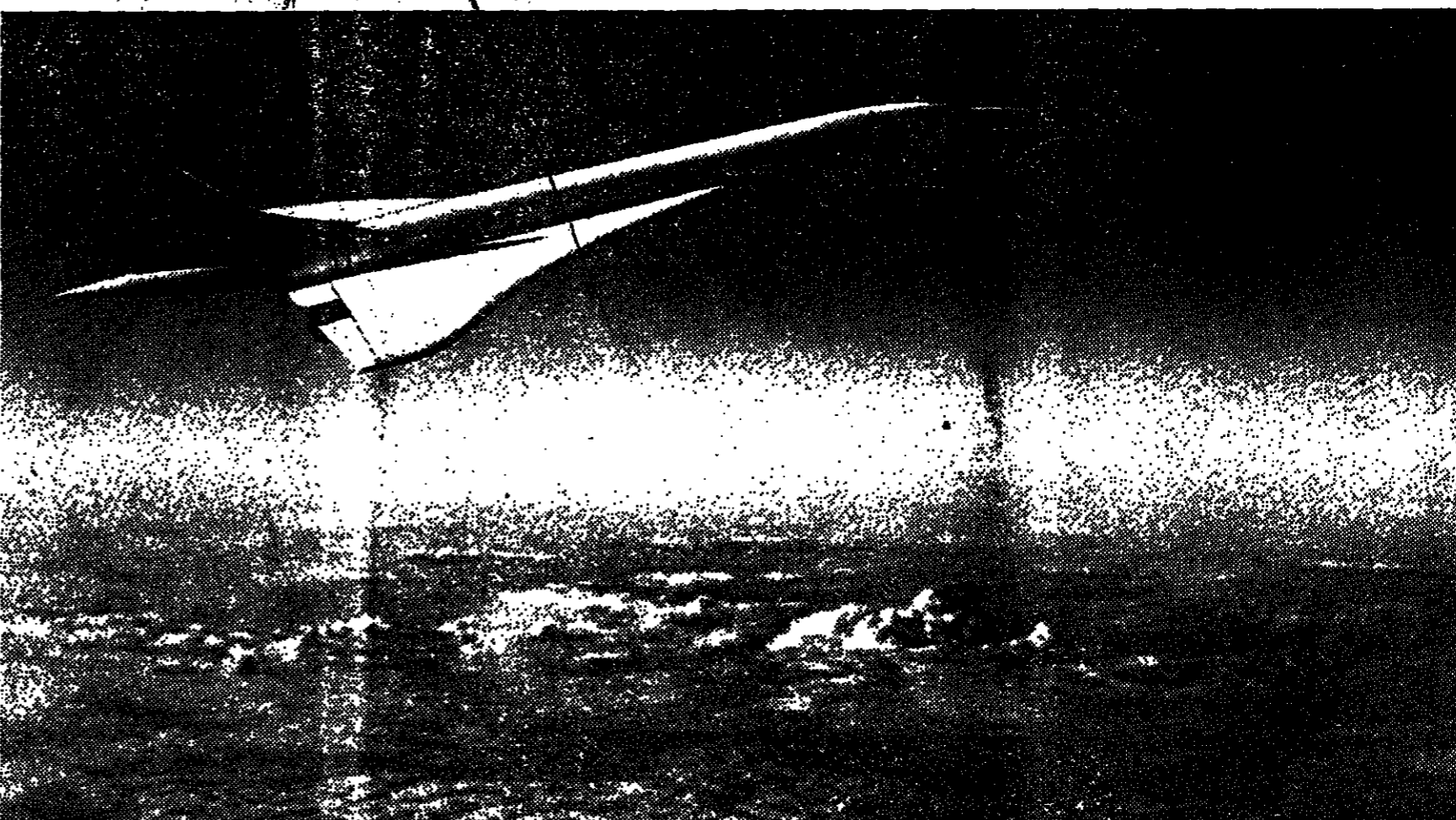
Wobbler sorts the load

Financial Times Columnist Appeals

'Set-up' suggestion withdrawn

DR THE Financial Times Columnist Appeals... The committee recognised it was an important issue. It had been a talking point in the office when Mr. Tether's column was left out of the paper because he and Mr. Fisher could not agree on its content and were hardly speaking to each other.

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AIR FRANCE

# The Property Market

BY QUENTIN GUIRDHAM

## Two major London office sales

Two major London office sales, with in both cases large parts of the buildings let, were announced yesterday. Norwich Union, paying at least £30m, for the United Kingdom Provident Institution's tower in Victoria Street, confirmed the trend for institutions of sufficient size to want to get their money out in large chunks while the supply of suitable projects lasts. The same purchasers have recently agreed a £24m funding for Peterborough's shopping centre, and the group has a similar amount tied up in another London office scheme, the Euston Station development.

The buyers of Maple House, Tottenham Court Rd, for £11.25m, are perhaps an even clearer indication of opinion that major London office schemes are due for a sharp rise in value. Bernard Sunley Investment Trust, also the leader of the consortium which bought the Legal and General's residential and commercial portfolio for £15m, is partnering London Mercantile Corporation, a banking business whose chairman is tax expert Godfrey Bradman, in the acquisition.

The Maple development includes a 51,000 square foot retail store which will be leased back by Maple at a concessionary rent of £125,000 which, though reviewed, will remain concessionary. The residential element was leased to Camden Council at

a premium of £1.45m, and a Rental levels in the area appear to be at least £12.50 a square foot. The Government premium of £400,000. Even so, paid slightly more across the market. Maple show a deficit on already written-down book values of £2,545,000. But Maple and Company, whose interest at £1.05m was nearly double rents being received, will now be repaying the outstanding bank loan, leaving the £2.7m, nominal of debenture stock as its only material asset.

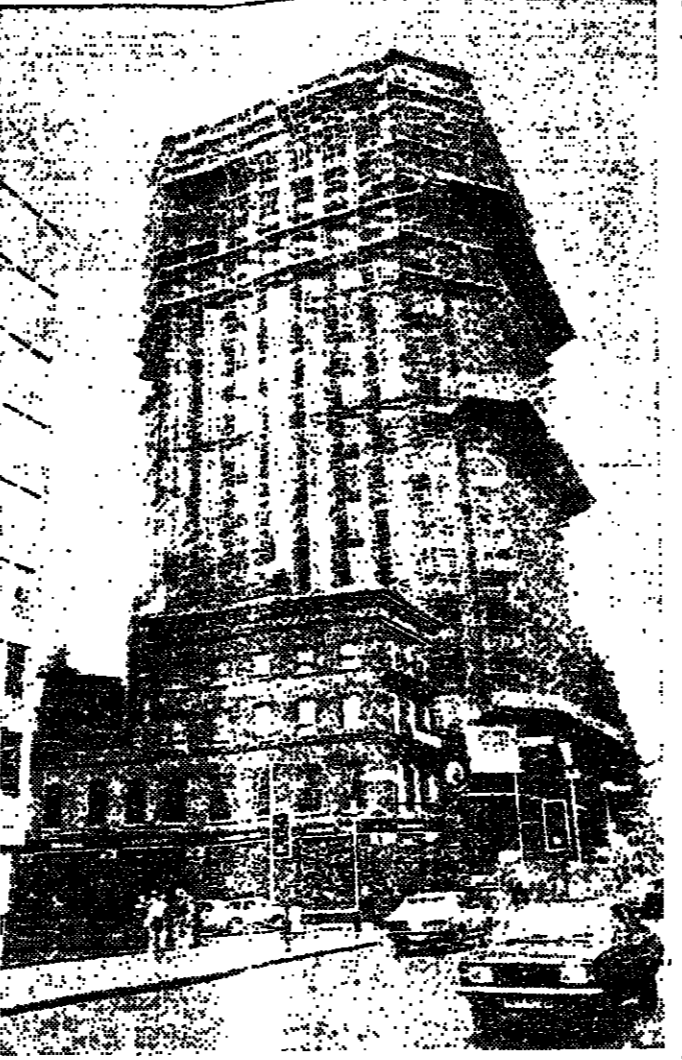
The RICS-FT Property Indicators Poll appears on Page 10.

Henry Davis and Montagu Evans have been advising the buying syndicate (it includes some minority interests besides Sunley and London Mercantile). The potential lies in the 114,750 square feet of offices and showrooms (where 66,125 square feet have been let, and with a rental level of £3 50 a square foot maintained for the offices). Of the remainder, only 9,000 square feet is subject to showroom use. Sunley stated yesterday that it had already had a number of inquiries.

The final price for Norwich Union in Victoria Street will not be settled until letting is completed on the 15-storey, 110,000 square foot tower (Lloyds Bank occupies the 20,000 square feet first phase of the development). Letting at 81 per cent, should turn out to be the initial yield, based on a complicated formula.

UKPI's motive for selling is, apparently to cut an over-emphasis on property which has come about through its successful exploitation of some prime London sites. Its total direct property investment was £55m, in the last balance-sheet (the Norwich Union's is nearly ten times that).

With several other London schemes in progress some sales were inevitable. The scale of UKPI's London interests can be judged by the 162,000 square feet of offices, 30,000 square feet of showrooms and 50,000 square feet of shops on Oxford Street included in the former Warling and Gillow development due next year (worth about £30m.) and a 150,000 square feet "St. James Square" still to be started. Letting on Queen Victoria Street is still in UKPI's hands, with Edward Erdman and Henry Joel the joint letting agents.



The United Kingdom Provident Institution's tower in Queen Victoria Street, London, sold to Norwich Union for a price expected to exceed £20m. Completion, and finalisation of the price, will be delayed until UKPI lets the whole scheme.

## OUT AND ABOUT

The RICS is selling the former Chartered Auctioneers and Estate Agents headquarters at 28 Lincoln's Inn Fields to the Association of Certified Accountants (the second largest of the accountancy bodies, originally formed of those who could not afford the articles system of the Chartered brethren and now strong in industry and on the teaching side—17,000 members and 60,000 registered students). So the idea that the 14,000-square-foot building would find an institutional buyer proved correct and Healey and Baker and Jones Lang Wootton have got the RICS a pretty fair price, £1.5m. The accountants should take possession and complete the deal at the end of the year when the investors will be able to move back into the restored Great George Street premises.

Grosvenor Estate Commercial Developments Ltd report the letting of their 68,000 square feet warehouse development at Weodon, Northampton, to Fine Fare at a net asking price of £590,000. The development, situated on the A45 mid-way between Northampton and Daventry within two miles of the M1, is to be used by Fine Fare as a distribution depot for their new Shoppers' Paradise chain of stores. The completed freehold investment has been sold to pension fund clients of Cluttons at a figure described as "very close to the asking price" of £590,000. Wilson and Partners of Northampton and King and Co. acted jointly for Grosvenor in both the letting and the sale.

The London Borough of Hackney Superannuation Fund, advised by Vigers, have completed the purchase of a new office development at Goldington Road, Bedford, pre-let to the Secretary of State for the Environment for

£23,000 square feet of warehouse space was acquired from Trafalgar House (Industrial) Developments Limited in 1976 at a cost of £1m. The DoE entered into a new lease on full repairing and insuring terms for 25 years with frequent rent reviews and the price paid by the DoE for the investment was £2,500,000. The investors were Huntsford Building Company who were advised throughout by Hampton and Sons.

The Scottish Provident Institution have leased approximately 3,000 square feet on part of the fourth floor of 1-5 Lombard Street, London, E.C.3, to the United Bank of Kuwait at a rent amounting to £16 a square foot. The bank currently have leases on the third, fourth and fifth floors in the building and this new letting is a further expansion in their City office. Jones Lang Wootton acted for the Scottish Provident Institution and the United Bank of Kuwait were represented by Healey and Baker.

The Combined Petroleum Pensions Fund has agreed to provide £3m for the next phase of Redcliffe Development Corporation. Lease/leaseback terms have been agreed with the Fund through their agents, Hillier, Parker, May and Rowden and Redcliffe Development Corporation which means that the Corporation has now got the all-clear to go ahead to meet its programme for a start on sites early in January 1978. The new phase will consist of a development of 300,000 sq. ft. including a large departmental store to be occupied by Owen Owen and a large variety store to be occupied by Tesco. Additionally, there will be 87 shop units together with offices and a few residential flats. This phase is programmed for Christmas 1979. This will be the last phase of a development for the first shops to be opened for Christmas 1979. This will be the last phase of a development for the first shops to be opened for Christmas 1979.

The combined pension fund has also the Lloyd's Bank Building in Santa Ana, California, for over \$2m.

C and A have set up a new distribution centre at Woking on the Goldsmith Park Trading Estate. The ten acre site of occupation by The County Court. The property comprises 7,500 square feet of accommodation on the ground and three upper floors. The DoE has entered into a new lease on full repairing and insuring terms for 25 years with frequent rent reviews and the price paid by the DoE for the investment was £2,500,000. The investors were Huntsford Building Company who were advised throughout by Hampton and Sons.

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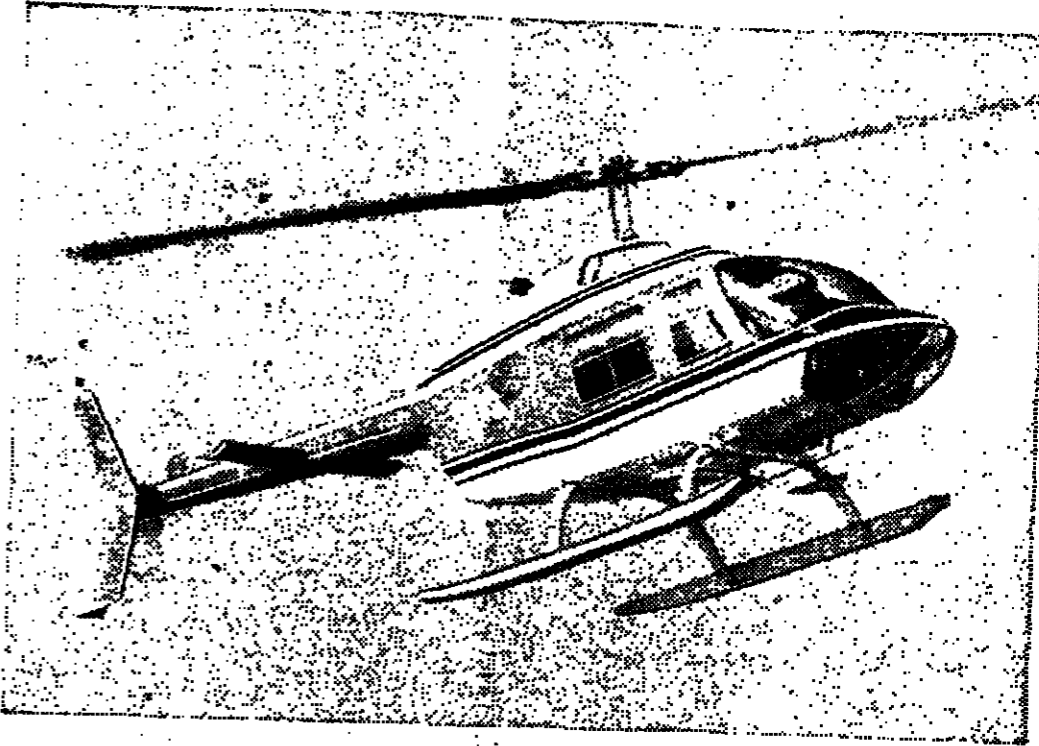
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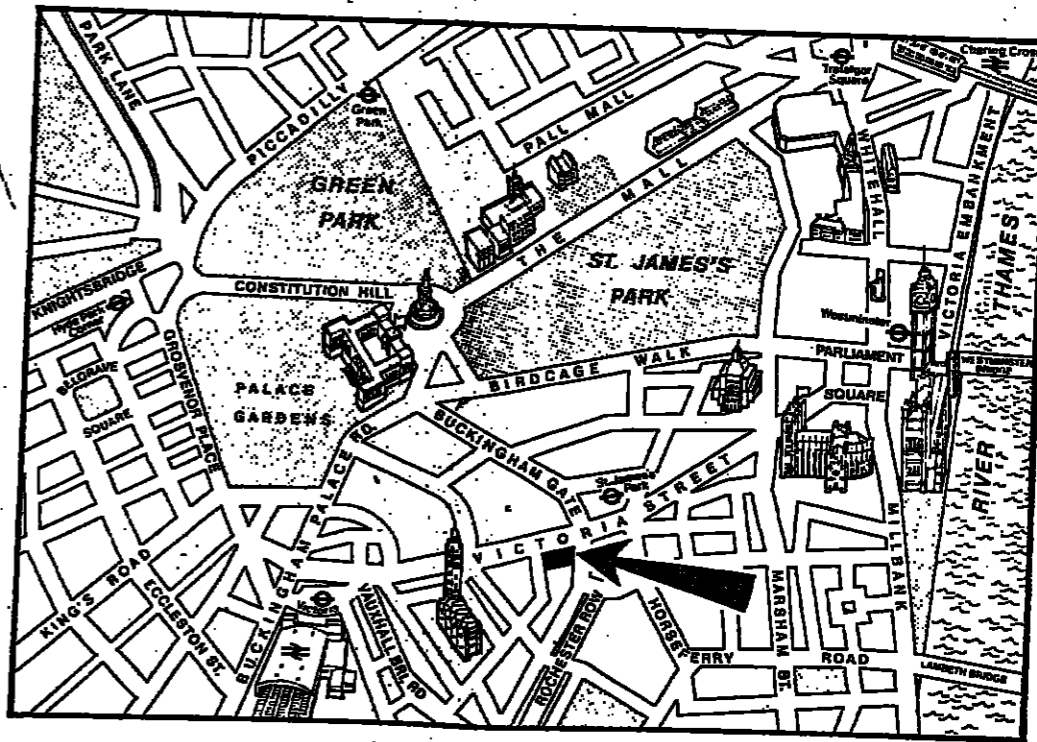


Victoria - ideal communications: Local, National and International

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Victoria - the ideal location

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CROYDON, Southside, Victoria - ideal building

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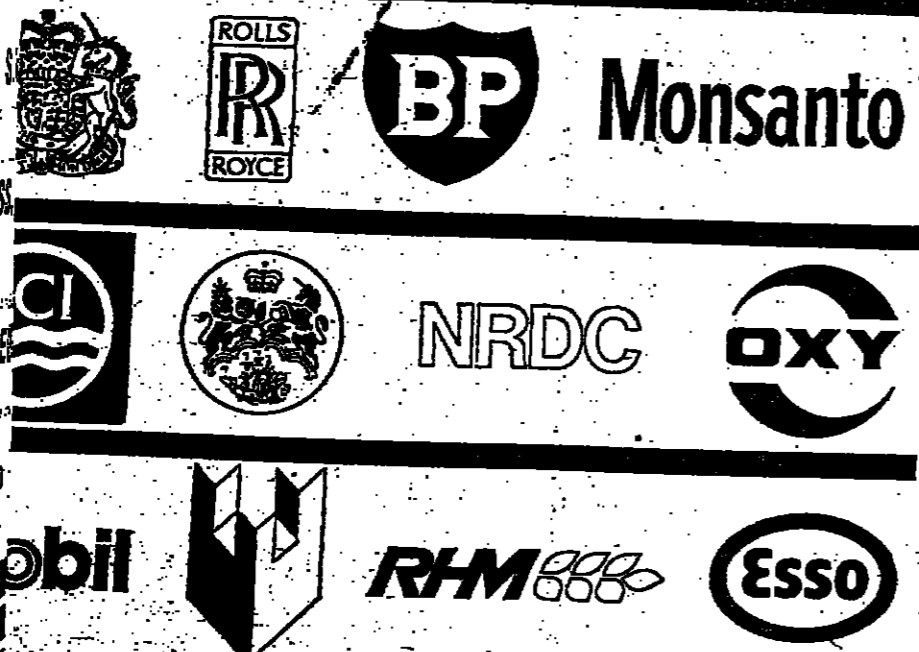
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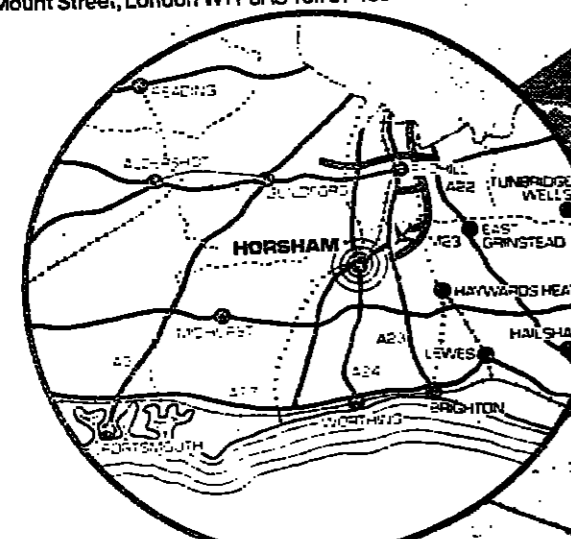

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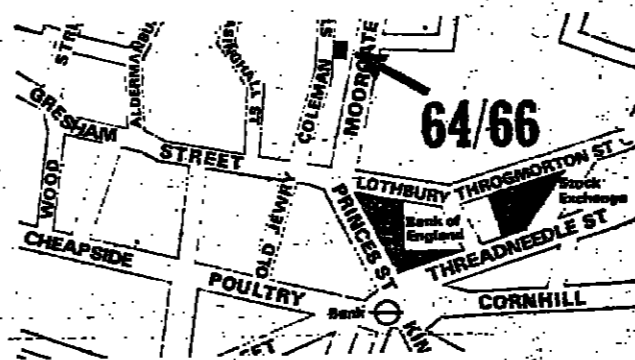
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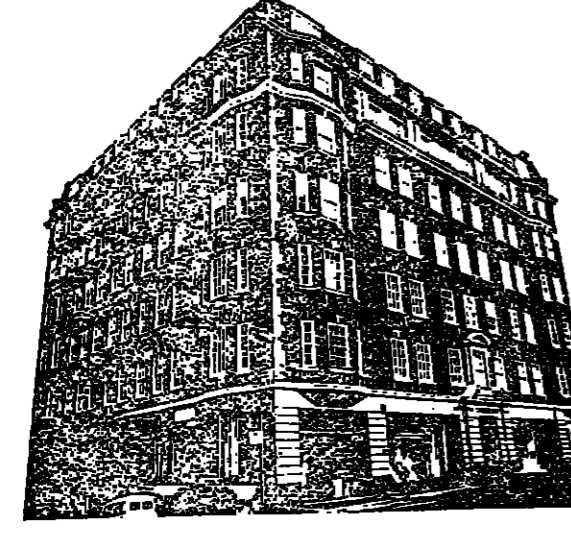
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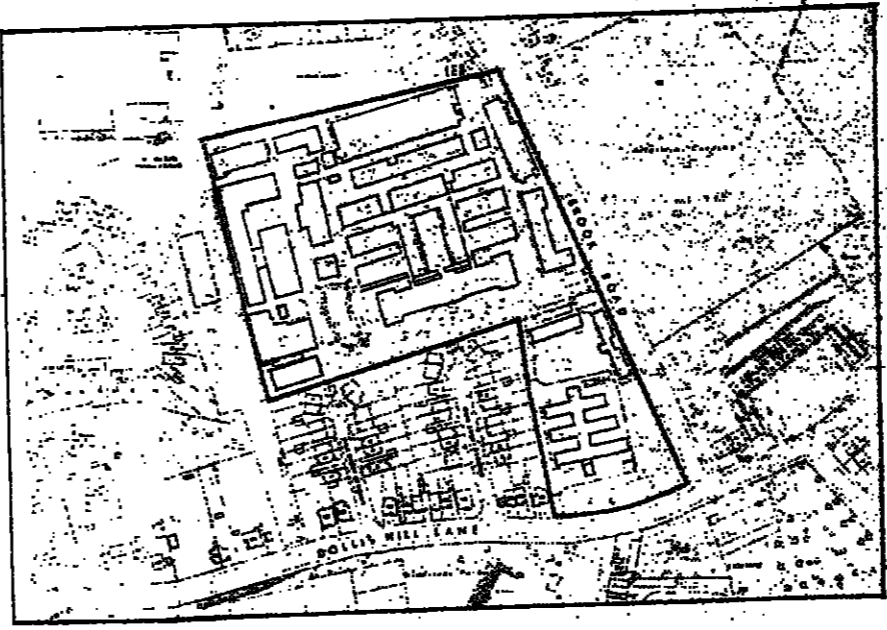
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A beautifully situated 9 hole course on 50 acres
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PARLIAMENT and POLITICS

Tories press for answers on Government economic policy

Premier attacks 'fuss' Tax rate doubts 'fantastic': Howe

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE FINANCE BILL came back for discussion on the floor of the Commons yesterday amid bitter Conservative protests that MPs were being asked to consider it without even knowing what the Government's intentions were regarding the basic rate of income tax.

Strategy

All would be well, insisted Mr. Powell, so long as the Government held fast to the principle of keeping control of the money supply. Then the restoration of free collective bargaining would end the objective of a reduced rate of inflation.

Peers estimate £562m. net contribution to EEC budget

BRITAIN'S NET contribution to next year's European Community budget is likely to amount to some £562m., according to estimates published by the Lords Select Committee on the European Communities.

Grunwick police injuries

LATEST "HORRIFIC" figures for police injuries at the Grunwick factory called for tributes to the courage, restraint, and dedication to duty of the police.

MP's conduct amounted to contempt of House, says Select Committee

MR. JOHN CORDLE, Conservative MP for Bournemouth East, was taken heavily to task yesterday for conduct "amounting to a contempt of the House" over his handling in Parliament of his business link with Mr. John Poulson, the bankrupt architect.

Abused

Between March 1964 and February 1970, the MP was paid by Poulson £5,828, and the committee comments that "neither the nature of the work nor the sums of money involved were such that the arrangement could not have operated acceptably so far as Mr. Cordle's membership of the House was concerned."

Salary

He was entitled to a salary of £9,500 a year from ITCS, but did not draw it until the company became profitable. The architect also agreed to make a yearly payment under covenant of £3,000 to the Adelphi Gate Theatre Trust, of which Mr. Maundling's wife was a trustee.

Next week's business

MONDAY: Debate on EEC motions on energy, the monthly budget and the Regional Development Fund.
TUESDAY: Debate on a list of large towns and cities.
WEDNESDAY: Counter-debate; Price Controls; and Water Charges Bill.
THURSDAY: Finance Bill; stages.
FRIDAY: Patents Bill and new structure of Justice Bill; stages; Northern (Emergency) Provisions and Employment Bill; second reading; Bill from Eviction Bill and remaining stages.

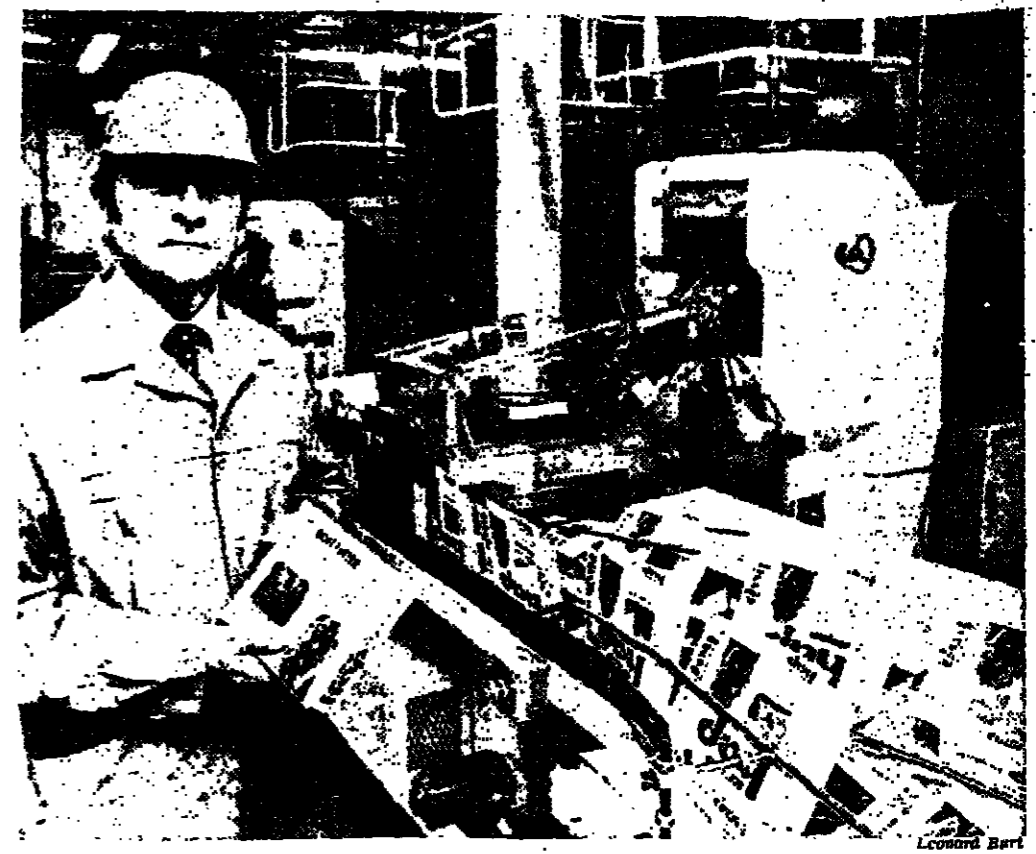
HOLLAND AMERIKA LIJN HOLDING N.V.
joint and several co-debtor with
Holland Amerika Lijn B.V.
(formerly N.V. Nederlandsch-Amerikaansche Stoomvaart-Maatschappij "Holland-Amerika Lijn")
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6 1/4% bearer Notes 1972 due 1976/1979
of HOLLAND AMERIKA LIJN HOLDING N.V.
As provided in the Terms and Conditions of the above mentioned Notes Redemption Group No. 2, amounting to Dfls. 7,500,000.— has been drawn for redemption on July 11, 1977 and consequently the Note bearing consecutive number 2 and all Notes bearing a consecutive number which is 4 or a multiple of 4 higher than 2 are payable on August 15, 1977 at Bank Mees & Hope NV (Central Paying Agent) Amsterdam-Rotterdam Bank N.V. Algemene Bank Nederland N.V. Pison, Holding & Pison N.V. in Amsterdam Bank Mees & Hope NV in Hamburg and Banque Générale du Luxembourg S.A. in Luxembourg July 15, 1977

# The Management Page

EDITED BY CHRISTOPHER LORENZ

## Pedigree Petfoods' popular products unusual attitude to profits, people production. Nicholas Leslie reports

## A pet approach to assets



Walter Dickson, managing director of Pedigree Petfoods, in the packaging section at Peterborough. Adjacent is an automatic box erecting and filling machine, developed in conjunction with one of the company's suppliers.

Manufacturing could be very happy if it earned a profit before interest payments. It would then have a return on round 35 per cent. The group Mars is best known for bars, is no exception. It produced 1975 a profit of £8m. while employing 118,000—a 1 per cent.

In fact reckons that it has been possible to earn a profit of £8.25m. so it would have a return on round 35 per cent. The group Mars is best known for bars, is no exception. It produced 1975 a profit of £8m. while employing 118,000—a 1 per cent.

It is not, however, pure coincidence that Pedigree is emerging from relative obscurity at a time when it faces a new, and perhaps tougher, operational system. The new system has raised total profits to £25.96m., a return on capital of only 22.9 per cent.

Britain's massive investment in either the use of Pedigree, while any claim that the industrial health, feels that efficient use should be a commercial objective, profits at any cost. Why it settled for £25.96m. and not £28.25m. approaches efficient as part of a total on first acquaintance rather daunting. Intimidating sales can be drawn upon as IBM and pence in the way who work for the particularly manage-ly with its corpora- objectives.

Pedigree—like its company—has main- low profit, with sight Pedigree, despite its out- at though its name dog and cat foods is known of the res. Now, however, world to know the success. Why it is running second with about 25 per cent. and Quaker Oats the

only other big manufacturer. It is high, the cost per unit of out- put is kept low. Pedigree maintains its high production rates not only through its control systems, but also because it is continually finding ways to adapt its plant to make it more efficient. As a result, it has developed key pieces of machinery, such as a device that can fill cans at the rate of 900 per minute (much faster than its competitors, so it maintains) and a machine for making one of its packaged products at the plant at Peterborough. By adapting plant that it buys, Pedigree maintains that it can often raise the efficiency of it by between 50 and 100 per cent.

Backed up the machine productivity argument, Pedigree can point to an improvement in the ten years to 1975 from an average 36 tons per canning line per shift to 75 tons. The company readily produces a whole armoury of statistics to support its claims of high asset utilisation. In the same ten years, direct manufacturing costs were reduced from £88 to £75 per ton; fixed overheads were contained; marketing expenditure per ton (the whole prepared petfood industry has been criticised for its level of expenditure on advertising) was reduced by 61 per cent. and distribution costs by 21 per cent. Meanwhile, labour productivity rose from 103 tons to 132 tons per employee.

The target for each operating unit is defined as "return on total assets," and is set at about 28 per cent. per year—any variation must be marginal since a substantial shift from plan can jeopardise effectiveness and growth. The "return on total assets" objective is very similar to the more commonly known "gross return," deflating earnings as profits before tax, plus depreciation, interest and leasing charges. Assets are defined as fixed assets at undepreciated cost plus the capital value of leased assets plus current assets.

This ignores the question of how the business is financed, which can have a significant effect on what the company's net return will be. The omission is deliberate, as Pedigree con-

sider it right for management and employees to be responsible for controlling only the operational elements of their units, without the pressures of having to decide how best to finance the business (this, of course, also guards against financial distortions arising between units, such as the balance between creditors and debtors). Financing is therefore handled separately and is largely met from retained earnings for both working capital and investment. Pedigree maintains that its high level of asset utilisation means it needs less plant than its competitors to produce a given amount of pet food. Therefore, the argument goes, it can contain its prices, and while this leads to a lower than average return on sales, it produces a higher than average return on assets.

But, says the company, the system it operates places high demands on employees. "People management is how we get asset efficiency," says Walter Dickson. "Enormous efforts are put into horizontal and upwards and downwards communication." The attention given to human relations tends to come across as rather cosy—the use of the term "associates" for all employees, including managers, for example—but whereas the company was almost surly about such things not so long ago, it now seems prepared to brave any suggestions that it is something of an oddity. Other examples of its unusual interest and any work-related

are that little attention is paid to outward shows of status, with nobody having a personal secretary, few having individual offices, and everybody (including the managing director) sharing a common canteen. The principles by which Pedigree operates were laid down shortly after World War Two by Forrest E. Mars, the American who founded Mars in the U.K. But Walter Dickson is quick to dispel the idea that the company is hidebound by old paternalistic ideas (although an atmosphere of corporate paternalism does seem to permeate the company). He says the principles remain, but are constantly being adapted and updated to suit the times and conditions and gives as an example the fact that the Melton Mowbray and Peterborough plants operate in very different ways.

This is certainly true. At Melton, there is a participating system which is based on a series of meetings. First there are what are known as "wash-down meetings" which take place once a week during the eight-hour break to clean the whole plant. At these, supervisors and management discuss with associates any items of interest and any work-related

problems, some of which are dealt with on the spot. Each of the four shifts elects a representative to team meetings, which are held every five weeks, and at which topics not dealt with at the shift meeting are discussed. The most important items are left to be passed on to review meetings, at which senior management is present. A vote on any subject is never taken—if it seems clear that agreement on something will not be reached a working party is set up to resolve the situation. The present pay system evolved out of this process.

This system is used to filter information and ideas both upwards and downwards. Every year top management evolves an annual plan and a series of meetings is used not only to pass on who will be responsible for each part of this plan, but any problems of conflicting or converging responsibility are also cleared up.

At the Peterborough plant, a 24-hour a day, five-day week operates. To have introduced the 24-hour-old Melton formula of seven-day working would have been difficult on social grounds. However, the company is aiming at a production rate

matching Melton eventually because of the more modern, streamlined plant in use. However, Peterborough has other unusual practices. Employees on the production side work in groups of ten to 12 and change their jobs each week, one week being perhaps a fork-lift truck driver, the next a machine minder. There are seven to eight jobs involved. Each group sets its own targets and similar groupings exist on the administration and research sides. It seems clear that the company—although admittedly advanced in its attention to employees' needs and in giving them a voice in the company's affairs—is fortunate in being able to switch people across jobs with minimum difficulty—it has employees who are union members but no union is as yet recognised there.

The introduction of new plant has clearly enabled production rates to be raised, and the process is continuing with a capital expenditure programme of between £35m. and £40m. at Melton over the next five years. The company has a policy of not making anybody redundant as a result of new investment. But the Melton expansion programme is unlikely to create any extra jobs either.

homes tax improved

ed to reverse over trend

## REVIEW BY MICHAEL LAFFERTY

### closure code for collective bargaining

Information Dis- B. J. Foley and J. J. Macmillan. The first book to grapple with this problem, called Accounting Information Disclosure and Collective Bargaining, has just been published by Macmillan Press. The two authors—one an accountant and the other an economist—conclude that organisations should move voluntarily, as a matter of self-interest, towards more open communication. They argue that the best way to gain union acceptance of the relevance of financial information is to disclose it on a systematic basis. The authors believe that the code will lead to increased demand for educational and research facilities. "Accountants may be involved in both of these fields, as educators and by being directly employed in research on behalf of unions. In cases where summarised information is required there will also be a need for an independent accountant to audit the information if it is to be rendered credible for bargaining purposes." This book is by no means the last word. In some respects the authors might be accused of a lack of imagination while dealing with what should be a very interesting subject. Overall, however, their book has broken useful new ground.

## MANAGEMENT PLATE BY MICHAEL DIXON

### dozen finalists face the acid test

This morning a The £1,000 major champion- ship was entered this year by a set of 896 teams and of those which were knocked out in the first round, about 150 decided to transfer their "paper" company until the last, summer-durable competition and try for the £500 subsidiary prize. Since then three rounds of play, in which the teams' management decisions and their consequent business results travelled between them and the computer late, a subsidiary of the 150 computer-based to the three finalists. One is a six-strong team from the Financial RIC Capacitors, which in the semi-finals defeated a side from Haffenden - Richborough, and three men are Dennis Harris, Stefan Wrana, and Andrew Butcher. All of them are in for a hectic day. Throughout the previous postal rounds of the contest the teams have had several days in which to make each set of business decisions—what prices to set in the different markets open to them, whether to supplement their "cash" by borrowing, how much money to allocate to running and expanding their factories, to marketing, research and development, to hiring transport and consultants, and so on. But in the final the time allowed for each set of decisions will be down to a mere 30 minutes, with the following half hour left for tidying up before the computer confronts them with the next batch of food for managerial thought. Whoever's name is announced in this newspaper to-morrow as the 1977 winner, will certainly have worked for the £500 prize.

## MANAGEMENT COURSES

- Management dation. Management House, erick Close, Stanhope Place, London W2 2HD.
- Catherine's Col. Parker Street, London WC2B 5PT.
- July 17-22. Fee: 5PT.
- Assertive Management, Royal Garden Hotel, London, July 23-27. Fee: £90 plus VAT. Details from ASM, 565, Fulham Road, London SW6 1ES.
- Practical Budgetary Control, Rembrandt Hotel, London, July 26-27. Fee: £90 plus VAT. Details from ASM, 565, Fulham Road, London SW6 1ES.
- Integration of Sales and Planning, Royal Lancaster Hotel, London, July 21. Fee: £45 plus VAT. Details from Institute of Marketing, Moor Hall, Cookham, Maidenhead, Berkshire, SL6 9QH.
- The Creation of Growth in U.K. Companies, Ashbridge Management College, Berkhamstead, July 25-26. Fee: £150 plus VAT. Details from the Registrar, Ashbridge Management College, Berkhamstead, Hertfordshire, HP4 1NS.
- The Work of the Personnel Department, Kennedy Hotel, London, September 5-8. Fee: £208.44. Details from the Course Administrator, Institute of Personnel Management, Central House, Upper Woburn Place, London, WC1H 9HX.
- Basics for Buyers, EuroCrest Hotel, Glasgow, August 22-26. Fee: £120 plus VAT. Details from The Institution of Buyers, Concorde House, 24 Warwick New Road, Royal Leamington Spa, CV32 5JH.
- The Secretary's Role in Management, White Hall Hotel, London, August 23-25. Fee: £75 plus VAT. Details from PMG Executive Training and Development, 207, Victoria Street, London SW1E 5NE.

For the whisky industry, insurance of stock is a traditional headache. Not only because the stocks necessary for blending are enormous. Or that they are constantly changing. Or even that they are frequently in widely scattered locations. The real problem is that insurance companies, from time immemorial, have demanded a monthly inventory location by location.

That's one tradition Hogg Robinson thought the whisky industry could well do without. So we investigated the problems in depth, and were able to introduce an 'All Risks' policy to cover all alcoholic beverages in any bonded warehouse. Which means, among other things, the end of the time consuming monthly inventories.

In other words, all we did was to tailor insurance to match the requirements of our customer—not the other way around.

And that is the hallmark of Hogg Robinson: an investigative and creative approach that has helped make us one of the biggest insurance broking groups in the world.

And that approach goes beyond insurance broking. For Hogg Robinson is also deeply involved in employee benefits, underwriting, freight, travel, packing and shipping.

If you would like to know more about our services please write or phone. Hogg Robinson Group Ltd, Lloyds Chambers, 9-13 Crutched Friars, London EC3N 2JS. Tel: 01-709 0575.

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The international insurance group.

## It doesn't cause the headaches it used to.

THE FINANCIAL TIMES

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What the EEC budget row is all about

By IAN DAVIDSON, Foreign Editor

Heading for a balance

THE MAY trade figures looked disappointing at first sight, since the current balance slipped into deficit from the large surplus of the previous month...

There is now little doubt, in fact, that the original official forecast of a £500m. current account deficit for the year as a whole will turn out to have been over-cautious.

It was based on the assumption that there would be a deficit of about that amount in the first half and a rough balance in the second. But the first-half deficit has amounted to only £394m. and even that figure is artificially large.

As to competitiveness, the evidence of the trade returns does not point decisively either to an improvement or a worsening in the U.K. position.

Protectionism is not the answer

THE WORLD recession has not yet provoked the wave of protectionist measures than many people originally feared. But free trade is increasingly coming under fire.

Timetable All this makes it that much more important that current efforts in Geneva to frame new rules for world trade, particularly the talks on a new Multi-Fibre Arrangement for textiles (MFA) and the Tokyo Round of Multilateral Trade Negotiations (MTN), should not break down.

Balance It would help, too, if fewer poor countries plumped for textiles as the road to development. Greater regional co-operation between developing countries might ensure a better industrial balance.

IN THE CALENDAR of which is the subject of the current dispute. During the first five years of membership, there are two hardy annuals: the spring campaign over farm prices, and the autumn struggle over the budget.

As you might expect, the argument is chiefly between the Germans, who feel that they are the paymasters of a Community which spends too much on policies which are objectionable anyway, and who resent the fact, and the British, who have long felt that the underlying principles of Community finance were biased in favour of the original members, and who have engaged in a number of battles over the past five years to achieve what they regard as a righting of the balance.

The current dispute revolves around the introduction of a new European Unit of Account for the Community budget, and in particular around the interpretation of an article in the British Treaty of Accession to the Community.

Ever since the EEC was formed in 1958, and certainly since the first British negotiations in 1961-63, the Community has made, practically but ineluctably, away from the idea that each member state should pay a certain percentage of the budget, and towards the idea that certain forms of national revenue should automatically be transferred to the Community.

Import duties and levies can only be expected to cover about two thirds of the budget, however. To make up the balance, the Community decided that each member state should contribute a share of its turnover tax (VAT) revenue, with a maximum rate of 1 per cent. This has the merit of ensuring that each state contributes very roughly in accordance with its GNP, and thus in accordance with its economic ability to pay.

Either way, the six original member states will move fully over to the application of the principle of "own resources" as from the beginning of next year. But under their Accession Treaties the three new member states—Britain, Ireland, and Denmark—will have a further two years (1978 and 1979) to make the transition, with the unfettered application of own resources" coming into play for them only in 1980.

MEN AND MATTERS

Swords for peace

The home-grown, British version of what former U.S. President Dwight D. Eisenhower described in his valedictory speech as the "military-industrial complex" was on parade yesterday at Cutlers Hall.

The occasion could not have been further removed, however, from the sinister connotations of an "unholy alliance" which Eisenhower's phrase contained. It celebrated neither a technological breakthrough in the arms field, nor, indeed, the prowess of arms in general.

Over to you Suddenly the sci-fi world of ENG (electronic news gathering) is upon us with the decision of the BBC to embark on a one year test after 18 months of evaluation and discussion of this revolutionary new addition to TV technology.

17 per cent of the Community British contribution, and that therefore article 131 of the Accession Treaty does not come into play.

More important, the German interpretation disregards what was patently the purpose of the budgetary arrangements negotiated for Britain and the other new members: to ensure that there would be a reasonably steady transition to full participation in the Community's own resources system.

European Community budget and UK contribution 1978

Table with 4 columns: Description, £m., Budget Units of Account million, European Units of Account million. Rows include U.K.'s full 'own resources' in 1977, Total Community 1977 budget, U.K. share of GNP, etc.

\* Assuming that UA = EUA for the budget as a whole

about the volume of Community imports (to guess at the revenue from import duties); and about the level of world food prices, and the weaker the Community (to forecast revenue from farm import levies).

This year Britain's gross contribution to the budget was expected to work out around £725m., plus inflation. According to one set of calculations, the German interpretation would raise that to £1,292m. in 1978, and to £1,403m. in 1979.

There are two palpable weaknesses in the German case. The first is the logical fallacy of comparing the 1977 figure of 19.4 per cent in the old units of account with the 1978 figure of 17 per cent in the new units of account.

The Commission then strikes it a two-fifths compromise between this figure and the U.K.'s actual percentage for 1977, as agreed in the accession negotiations.

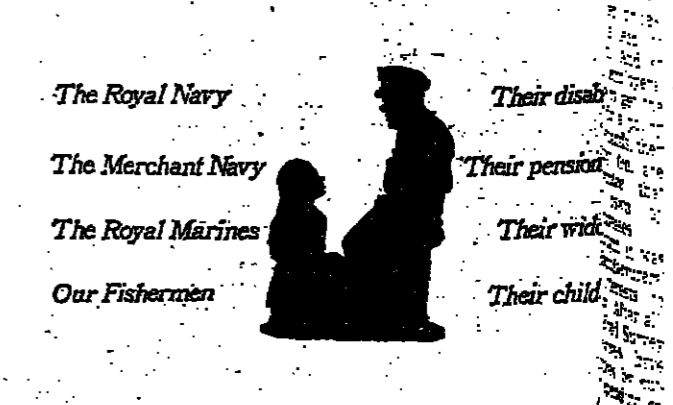
When the same calculation is done in the new European Units of Account, the British contribution to the GNP element in the Community's own resources comes out as 12.8 per cent, not 20 per cent, because the pound is worth so much less in "realistic" EUAs than in UAs (£1=1.53, not 2.40).

It is worth bearing two points in mind. The first: the figures we are talking about are gross contributions, not net contributions, and take no account of money in one way or other flow to the U.K. on several of the British Government-issued forecasts of what U.K. contribution to the Community would be; it has proved hopelessly usually, hopelessly pessimistic in one year, out of four of membership, the U.K. received £56m. more than while in the others the annual contribution from £30m. to £170m., arguing over, but not the £1,000m-odd which he the gross U.K. cont. next year.

Secondly, the size of the gross contribution to the Community budget, and even more the size of the net contribution, are heavily on the overall the Community budget; the Commission has asked 1 per cent. increase in the budget next year, because it hopes to spend more on energy, industry, and the regions.

but it seems to produce a final result which, when translated back into pounds at the ECU rate, is still £1,044m. It would be a relief if the complications ended here. They don't. In the notorious "renegotiations" of the entry terms, the Wilson government secured one major improvement in the Community's budgetary rules, designed to protect any weak member state from having to pay a demonstrably disproportionate share of the budget.

The principle of the calculation is simple, if laborious. The Commission works out what the British share of the 1977 budget would have been in 1977 if it had been subject to the unlimited application of the own resources system, using the old budgetary Unit of Account (£1 = 2.40 UA) to calculate Britain's share of the Community's GNP.



King George's Fund for Sailors looks after them

In this Country of ours, there is no-one who is not connected with the sea. Half the food we eat comes from across the Many thousands of us, our relatives or friends past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity charged with collecting and providing funds for other seafarers' charities, and with making sure the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Heartfelt

Toastmaster at a banquet: "My Lords, Ladies and Gentlemen, pray for the silence of our distinguished guest."

Tender egg

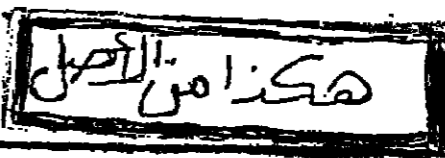
A special kind of scotch egg which blushes furiously if vigorously insulted was proudly revealed yesterday by the Egg Council who commissioned Toby Carter of the Poultry Research Centre in Edinburgh to invent just such a beast.

The "egg" manufactured by Forth Instruments of Dalkeith, costs a mere £38, chickenfeed compared with £8m. which Britain's poultry industry loses annually through cracked eggs.

The advantage from the TV companies' point of view is that the new system can give them that immediacy which currently gives radio its competitive edge.

Observer

Energy assets



# Mrs. Thatcher risks showing her colours

ARET Thatcher's on "Panorama" might be some-thing. It is not her increasing herself and of the lowered the general see, for the first the genuine pas-ess beneath her-omed and nor-s exterior.

Her instinctive middle, middle- has been overlaid the necessity of conservative Party not alienating of voters. And we saw on Mon-ly really conten- like picketing and with what can be a "forward d."

**Crusade**

It is impossible to tell whether she is right. If she is, she will put people off- perhaps to a disastrous extent. Certainly the British view is one's capable of being car-ri- away by a crusade if the timing and subject matter are right, but there is nothing more pathetic in politics than a crusade which has lost its momentum. But a crusade requires, of its nature, a certain element of exaggeration; it is an invitation to suspend rational doubts for a higher end. And life in this rarefied atmosphere cannot be sustained indefinitely.

Let me illustrate what I mean by taking four of the notions contained, either explicitly or implicitly, in Mrs. Thatcher's television broadcast. The viewer may sympathise from the outset with the thought be- hind them or he may be swept along by the force of his rhetoric against his will. But can he be expected to go on

accepting the beautiful cer- tainty and simplicity of the flowing propositions in- definitely?

(1) The Labour Party is on the high road to Communism. The argument proceeds as fol- lows: Mr. Callaghan has to rely on the 80 votes of the Tribune Group in the House of Com- mons: all 80 are "extreme left- wingers"; therefore, Mr. Cal- laghan is under the control of the extreme Left. Again, there are Trotskyists in the Labour Party: Mr. Callaghan cannot turn them out; therefore he has compromised with them. Once you start to compromise with the Left you will be swallowed up; therefore Jim Callaghan will be swallowed up, as East European Social Democrats once were.

The emotional cladding of this thesis is all very impressive. The flesh creeps as Mrs. Thatcher, her eyes darting from side to side, declaims: "If you don't fight when the knock comes at your neighbours' door, what right have you to expect them to fight when it comes at your door?" But reduced to its essential elements as a state- ment about the real position of the Labour Party under Mr. Callaghan, it is really absurd.

The Tribune Group is a motley collection which wields far less radical than the Bevan- far less radical than the Bevan- ites whom Mrs. Thatcher men- tions with tolerance. The Trotskyists in the constituency wards and the trade unions are a genuine problem, but they are less of a problem than they were three years ago, and they have about as much chance of "taking over" the Labour Party in the foreseeable future as they have of taking over the Conservative Party. It may well



Mrs. Thatcher: genuine passion.

Can such a picture stand the wear and tear of political life and economic reality for another 12 months, a neces- sary? It has the advantage of being evocative, particularly among a section of Conservative voters whose immediate economic interests appear in it under a very favourable guise. It also, clearly, has a particular reality in Mrs. Thatcher's imagination which means that she is very good at putting it across. The trouble is that the simpli-

front governments, but each other. This is what one might call the "naive monetarist" theory—the belief being that government, having set its monetary target, can simply stand aside and let the unions scramble for their share of wages and employment. It is an attractive dream, especially if one subscribes to the Thatcherian moral precept that people ought to be made to realise that where they sow, there will they also reap. One might also argue that, in a modified kind of way, Mr. Healey has successfully injected some of this philosophy into his own approach to the unions.

Nevertheless, in the form in which it appeared in the "Panorama" interview and in other recent pronouncements, it is moonshine. However much Mrs. Thatcher may say that it is not her business to determine miners' wages or nurses' wages or dustmen's wages, the public will hold her responsible at the ballot box for the consequences of industrial action or unem- ployment and if the electoral quinquennium is thought to be the wrong time-scale, others are no better. At the short end, foreign investors and sterling holders are unlikely to demon- strate practical support for Mrs. Thatcher's philosophy in a major industrial crisis; and at the long end, no responsible government can simply watch the country's industrial base being undermined by a pro- longed deflation made necessary by union activities. This is so obvious that the exercise of trying to maintain the opposite merely causes doubts about Mrs. Thatcher's judgment in it. It will be an interesting de- parture if she now turns it wishes to promote her own over.

## Letters to the Editor

**and**

add to our competitors revenues, even though the marginal rate of tax is relatively low. Surely it is more sensible for the Government of the U.K. to re- ceive 50 per cent of a taxable income of £100,000, rather than 100 per cent of nothing.

M. A. Ingram,  
Heseltine Moss and Co.,  
Lawrence House,  
London, E.C.2.

**Revenue reverse**

From Mr. John B. Backes

Sir,—I was alarmed at the lack of understanding of your con- tributor on Page 3 last Saturday (July 9) under the heading "Revenue Reverse". Your con- tributor states that if the judgment in *Inland Revenue v. Plummer* stands, then the e. by 11 per cent. It is the steady Day can sit back and enjoy their unpaid tax. What your con- tributor has not noticed is that the provisions of the Finance Bill, 1977, are retroactive in that only payments made before the Budget will be exempt and schemes in force before Budget Day are caught by the proposed legislation. Not only will tax- payers, who entered into per- fectly legitimate arrangements to minimise their tax, no longer receive any benefit, but in many cases for the remainder of the life of their arrangement they might well have to pay out by way of annuity, which is no longer to be paid with deduction of tax, more than they will receive from annuities payable to them. The Chancellor is therefore punishing people who had entered into perfectly legitimate arrangements before the enactment of the Budget speech were known.

When in 1962 relief for Surtax was withdrawn in respect of covenants in favour of charities and in 1965 when relief was with- drawn from Surtax payers in respect of covenants to indi- viduals, existing covenants were allowed to run their course. The proposed legislation is, therefore, a retroactive in the right of individuals to so con- duct their affairs as to minimise their tax and means that it becomes increasingly difficult to give professional advice if the proposed legislation establishes a new precedent for legislation all echelons of John B. Backes,  
Lincoln House,  
High Holborn,  
London, W.C.1.

**Energy assets**

From Mr. F. P. U. Croker.

Sir,—Samuel Brittan (July 7) rightly argues that a large part of the proceeds from North Sea oil must be invested and not irresponsibly dissipated in extra consumption and Government spending. Since this oil is a wasting asset, likely to be exhausted by the turn of the century, and since energy is the mainspring of the national economy, surely the first charge upon any economic surplus the oil may generate must be the provision of an alternative energy-produc- ing substitute to shoulder the burden progressively as oil pro- duction runs down?

Hitherto, there seems to have been an assumption that Britain would then be able to rely on coal to fill the energy gap, but the miners are demanding wage increases which must price coal out of the energy market, for as Professor Arlbone has pointed out and simply out ("The Times," July 8), if

they get their way, coal gener- ated electricity will cost four times as much as nuclear. In this case, no government can now, or ever, undertake major coal-burning projects such as Drax.

We are to avoid economic collapse and a consequent cata- strophic decline in our living standards, a massive programme of nuclear expansion, and the exploitation of benign energy sources, for example the Severn Barrage, must be vigorously en- forced, as a matter of the highest priority. This will need vast capital expenditure. North Sea oil can provide the means—probably the last lifeboat we can expect from long-suffering Prov- idence. Have we the nous to grasp it?

F. P. U. Croker,  
Acon Lodge,  
Hillborough Crescent,  
Southsea, Hants.

**Gladstone speaks**

From Mr. W. R. F. Spearman.

Sir,—Mr. Gladstone said a lot of things (Mr. Robert Lee's letter of July 13).

It is said that he was not generally overflowing in humour but he could at times let fly with great effect. Some strikingly descriptive lines by a contem- porary writer deserve quoting: "To see the genial sarcasm or innocent gibe spread a smile over his grey and deeply scarred countenance, is like watching the sunlight from a changeful sky flow down a scarred and rugged rock."

In the same year mentioned by Mr. Lee, 1888, Gladstone when speaking in the House of Com- mons was loudly interrupted by ironical cheers from the Con- servative benches. Very adroitly he turned this to account when he said:

"I am glad to have my assen- tionist overthrown by hon. gentle- man opposite, whose approval is conveyed in that semi- articulate manner which they find so congenial."

In what real spirit I wonder were the words quoted by Mr. Lee made?

W. R. F. Spearman,  
35, Abingdon Court, W.8.

**Commercial radio**

From the chairman of Portsmouth and Sunderland Newspapers.

Sir,—Your article on July 7, entitled "Commercial Radio—the big time-in" claiming that independent local radio is now a major advertising medium "with the measurements to prove it" is, I believe, mislead- ing.

I suggest that the reasons which follow that the ICRAR figures do not substantiate the Association of Independent Radio Contractors' claim that "the judgment of so many major advertisers, who have backed ICR, has been justified by these figures."

First, I understand that the test used to ascertain who is a "listener" is "did that person listen for as much as one period of a quarter of an hour in the course of one week?" Surely this is a wholly inadequate test.

Secondly, I suggest that the manner in which the research is done is likely to produce a false conclusion. The diary method is used whereby the chosen sample of people are asked to mark the time that they spent listening to their local radio station in one week. It must be human nature to change

**Nationalised profits**

From Mr. Roger Lewis.

Sir,—Whenever a nationalised industry makes money, the nation may, in fact, benefit but is hardly ever seen to do so. I have not seen the Coal Board 1976 Profit Memorial Hospital and I certainly cannot remember reduced income tax ever being attributed to the efficiency of the CEBB.

Surely, however, there is great political propaganda to be made in this area—all parties please take note.

For example, the Post Office in its wisdom has taken upon itself to rebate excess profits to the consumer—another first for the Post Office. After all, ordinary business practice would be to reinvest the money in new plant and equipment to divide the sum among the employees or, heaven forbid, to reward the shareholders. But not the con- sumers! They must benefit with delayed price increases or accept a subsidy on the non-profit- making parcel post services (the Government sets great store by this).

No, as a "shareholder" in the Post Office and one who would not have a telephone at home, even if the service were free, I believe that excess profit should be paid to the nation either as Income Tax rebate or as funds for some worthwhile social service venture.

And that goes for all the nationalised industries.

Roger Lewis,  
47, Great Court,  
Three Elms Road,  
Hereford.

## To-day's Events

**GENERAL**

Mr. Denis Healey, Chancellor of the Exchequer, expected to make statement to House of Commons giving detailed proposals on pay, prices and tax changes.

Retail price index for June published by Department of Employment.

The Queen and Duke of Edinburgh make Jubilee tour of Tyne and Wear and Northumberland. National Union of Railwaymen's annual conference ends, Avy.

Windscale public inquiry, Whitehaven, adjourns at 1 p.m. until Monday afternoon.

Periodical Publishers' Association annual meeting, International Press Centre, Shoe Lane, E.C.4.

Test and County Cricket Board meet on Kerry Packer "circus," Lord's, 10.30 a.m.

Tea Buyers' Association annual meeting, London Chamber of Commerce, 60 Cannon Street, E.C.4.

Sir Robin Giblett, Lord Mayor of London, and his Sheriffs attend Company of Cutlers in Hallamshire Fortlet Feast, Cutlers' Hall, Sheffield.

**PARLIAMENTARY BUSINESS**

House of Commons' Private Members' Bill, second reading. Homeless Persons' Bill, second reading. Otter Hunting Regulation Bill (Lords), committee.

**Jubilee Souvenirs, Design Centre, 28, Haymarket, S.W.1 (until September 5).**

**Gold and Silver from the Roman World, British Museum, Bloomsbury, W.C.1 (until September 30).**

**British Genius Exhibition, Battersea Park, S.W.11 (until October 30).**

**LUNCHEON MUSIC**

Band concert by London Fire Brigade, Tower Place, E.C.3, noon to 2 p.m.

John Dexter gives organ recital, St. Paul's Cathedral, 12.30 p.m.

Takako Seby Okamoto (soprano); Guildhall School of Music and Drama, Barbican, E.C.1, 1.10 p.m.

**SAAB**

**EMS Sports Saloon**

**-top performance, luxury sports equipment**

The EMS has most of the features of Saab's world-beating works rally cars. The advanced 118bhp 2 litre fuel injection engine gives acceleration to 60mph in just over 9 seconds and top speed of 110mph, with normal consumption of 25-30mpg.

Front wheel drive, rally suspension, Bilstein gas shock absorbers, alloy wheels, low profile steel cord tyres, front spoiler, magnificent driver's seat, sports steering wheel geared for 3.4

turns lock-to-lock and smooth manual gear-box add up to outstanding road-holding and effortless high speed cruising to leave you relaxed after the toughest of journeys.

As with any SAAB 99, you get comfort, versatility and safety for 5 adults. The EMS is a beautiful beast from SAAB-SCANIA of Sweden.

Visit your nearest Saab dealer and enjoy a memorable test drive.

**SAAB**

**One of the world's finer cars**

SAAB (Gt. Britain) Ltd., Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow 6977

**King George VI Form for Sale looks after**

Ingram.

man's interest- party opinions to reform drew proposed legislation establishes a new precedent for legislation all echelons of John B. Backes,  
Lincoln House,  
High Holborn,  
London, W.C.1.

ly put forward, being simplistic, ideas with which should be indoc-

erman economic ived by "setting e"—that is, an accuracy, and the of the talent of o assert itself.

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rd imbalance tax- id indirect tax- tes to economic purchasing ole to buy U.K. is at a discount ional worth with- population being it spendable in-

the new class of the tax exile, in economic her earnings are ad and simply out ("The Times," July 8), if

KGFS



Financial Times Friday July 15 1977  
Whisky and gin sales lift Distillers to peak £130m.

Shares' rises £2.4m. to 7.5m. at halftime

Whisky and gin sales lift Distillers to peak £130m.

The trading surplus... The dividend is... The effect of... The company's...

The trading surplus... The dividend is... The effect of... The company's...

TURNOVER of The Distillers Company improved by £144.2m. to £247.17m. for the year to March 31, 1977, and pre-tax profit was up by £39.52m. to a record £130.35m.

year and the Bank's business continues to expand. However, it is not possible to predict the outcome for the year as a whole, say the directors.

Jump to £0.72m. by Hollas

Boots first quarter progress

Higher selling margins for both Scotch whisky and gin in the home and export markets accounted for a major portion of the annual increase in profit, say the directors.

Harris Lebus to improve

PRE-TAX profit of Hollas Group for the year to March 31, 1977 advanced from £547,376 to £723,188 on turnover ahead from £10.84m. to £17.37m.

RETAIL SALES at Boots increased by 17 per cent. during the first quarter, the chairman, Dr. G. J. Hobbday, said at yesterday's AGM.

AGAINST A background of a severely depressed furniture market, Harris Lebus reports pre-tax profit slightly ahead from £123,000 to £131,000 for the 26 weeks ended April 29, 1977.

The directors state that it is anticipated that margins will continue to recover and that the second half trading profit will be materially better than in the first.

Midway rise for Tribune

B. B. & E. A. rises to £223,794

Despite a slight midway fall from £117,000 to £110,000, British Building and Engineering Appliances finished the year with a profit of £223,794.

Samuel Sherman sees loss

Pre-tax revenue of Tribune Investment Trust rose from £415,207 to £437,053 for the half ended June 30, 1977.

Dr. Hobbday also told shareholders that the group's new anti-rheumatism drug Froben was now registered in the U.K.

Manufacturer of ladies' dresses, Samuel Sherman reports a turnover from a loss of £50,100 to a profit of £11,300 for the year.

Emray well down at £284,695. In 1976 turnover of Emray fell from £372m. to £230m. and taxable profit slumped from £848,735 to £284,695.

FEB OUTLOOK

Mr. Gordon Fisher, chairman of Feb International, told the annual meeting that the company's...

As last year there is no interim dividend. Last dividend was 1.05p, net for 1976.

Unaudited profits of Bank Leumi (U.K.) for the six months ended June 30, 1977 are ahead of the comparable figure for last year.

NEWMARKET quote credit supply

In the interbank market overnight loans opened at 7.75 per cent. and eased to 5.64 per cent. before rising to 6.7 per cent. at the close.

BLAKE'S second half setback

Table with columns: Bid, Offer, Bank, etc. for various securities.

Associated British Engineering has reached agreement with the Secretary of State for Scotland for a security loan of £200,000 to be made to its principal operating subsidiary, British Polar Engines.

After being ahead from £56,735 to £119,012 pre-tax profits of Blakey's (Woolleak Castings) suffered a setback in the second half of the year to March 31, 1977, and finished only £30,287 in front.

Advertisement for HOLLAS, featuring an image of a building and text: '147000 sq ft Air Conditioned Offices TO LET'.

Advertisement for Abbey Panels, featuring an image of a building and text: 'Abbey Panels declines at halfway'.

Advertisement for Deanson, featuring an image of a building and text: 'Deanson down midway'.

Advertisement for ATKINS BROTHERS HOSEYRY, featuring an image of a man and text: 'The year under review was a difficult one, but due to an upsurge in trade during the third quarter of the year, more satisfactory figures were produced'.

Advertisement for YOUNG, AUSTEN & YOUNG LIMITED, featuring an image of a building and text: 'BUILDING SERVICES ENGINEERS'.

Advertisement for BANK LEUMI (U.K.), featuring an image of a building and text: 'Unaudited profits of Bank Leumi (U.K.) for the six months ended June 30, 1977 are ahead of the comparable figure for last year'.



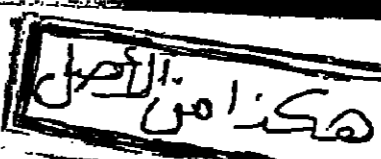
Advertisement for Banco Do Brasil S.A., featuring text: 'Brazil: agriculture's new giant. May we introduce you?' and an image of a coffee plant.

Advertisement for JAPAN INVESTMENT TRUST LIMITED, featuring text: 'Issue of 1000 \$ per cent Convertible Loan Stock'.

Advertisement for JONES LANG WOODRIDGE and EDWARDS BIGWOOD & BEWLEY, featuring text: 'Holmes our rent representative at'.







Investment Trust Review

Published by The Association of Investment Trust Companies... The opinions expressed by contributors to this Review are their own and should not be assumed necessarily to reflect those of the Association

Trust companies and the institutional investor

By George J. J. Dennis Investment Manager, The Post Office Staff Superannuation Fund

year or so we have seen a number of changes in the investment industry... There has been a number of acquisitions of trusts, including a number of those which have not been widely known.

Overseas Exposure By tradition most investment trusts have concentrated on the U.K. market... The U.K. market has become increasingly competitive and has attracted a number of international investors.

history of investing in smaller companies, and in many cases have sophisticated management structures... Investment trusts have a long history of providing a diversified portfolio of investments for their beneficiaries.

Total Return Gearing is an attractive feature. Many trusts have raised money in the past on advantageous terms... This has allowed them to invest in a wider range of assets and to benefit from economies of scale.

There are of course tax disadvantages for a gross fund in buying investment trust shares... However, the discount from net asset value in the purchase price provides some compensation for these factors.

Around the Market by Edward Sellers Laing & Crutchshank

Turnover in the sector at the end of June was relatively low and discounts continued to widen... The ratio of the FT-All-Share Index to the FT-All-Share Index consistently formed new lows.

This latest spate of corporate activity is evidence that trust companies are prepared to use a variety of methods to increase their value to shareholders... The short-term outlook for trust prices relative to other U.K. equities seems promising.

A free booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House, (8th Floor), 16 Finsbury Circus, London EC2M 7JF.

Owing to the holiday season the next Investment Trust Review will appear on Friday, 16th September, 1977. The monthly table of Net Asset Values will, however, appear as usual on Friday 19th August.

Asset Values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Table with multiple columns: Company Name, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value (at nominal value, at market value), Investment Premium, Total Assets, and Investment Currency. Lists various investment trusts and their financial metrics.

Table published 17 June 1977... Includes various disclaimers and explanatory notes regarding the data presented in the table.

Vertical text on the left edge: 'may sell its in Samanco', 'STURGEON TAKE DRILLING', 'precasts lower', 'New Industrial Limited'.





INTERNATIONAL FINANCIAL AND COMMERCE NEWS

AMERICAN NEWS

Berkey-Kodak case comes to trial

BY JAY PALMER

BERKEY PHOTO'S \$300m. anti-trust case against Eastman Kodak has finally come to trial this week, after well over four years of legal manoeuvring by both sides, in a Manhattan Federal Court.

The case, while not by any means one of the largest anti-trust suits to come to trial, is drawing special attention because it is the first of the many cases filed against Kodak by its smaller competitors to come before a Judge.

Also, and perhaps in the end more important than just setting a precedent for these cases, the Berkey decision threatens wide implications for all fast-growing, technology based industries where, for whatever reasons, one or two companies have come to dominate the market.

In accusing Kodak of monopolising much of the U.S. amateur photographic market, Berkey has effectively asked Judge Marvin Frankel to rule on when technological dominance of an industry through luck and a sustained flow of successful inventions turns into an illegal infringement of the anti-trust laws.

The case will also raise in clear terms the troublesome question of how a company may be allowed to package its inventions. The judge will be asked to decide whether technologically strong market leaders should be permitted to turn an industry upside down overnight by suddenly

bringing out a whole system of linked products. Using Kodak's introduction in 1972 of the revolutionary pocket instant film and the new film size as an example, Berkey's lawyers will attempt to get a ruling forcing companies in the future either to bring out one new product at a time or to give smaller competitors advance warning.

Disclosure rules supported

BY OUR OWN CORRESPONDENT

A TOP-LEVEL advisory panel set up by the U.S. Securities and Exchange Commission has formally recommended that the existing regulations pertaining to corporate disclosure are adequate and should not be radically altered.

However, the panel steered clear of one of the most difficult disclosure topics before the SEC and deliberately refrained from making any recommendations about handling disclosure of illegal and questionable corporate payments.

In virtually every case, the panel's recommendations call for voluntary rather than mandatory disclosure of traditionally sensitive information. It did not, however, meet company making the issue of regular projections mandatory.

trust case against IBM, is expected last month. Kodak also faces anti-trust suits from the GAF Corporation and Pavele as well as possible charges from the Government following its recent serving of a "civil investigative demand" for records.

Leclerc chiefs face probe

BY OUR OWN CORRESPONDENT

THE FORMER management of Leclerc, the private bank being purchased by Barclays (Switzerland), has been made the subject of a criminal investigation by the Geneva State Prosecutor, M. Raymond Foex, reports our Geneva correspondent.

The investigation was announced at the same time as federal banking authorities accorded Leclerc a six-month period of grace before opening bankruptcy proceedings.

Leclerc was forced to close its doors early in May after incurring losses estimated between Sw.Frs.20m-30m. The losses involved unsuccessful real estate investments. Legal authorities disclosed that the criminal investigation had been ordered after it was learned that several clients of the private bank intended to lodge formal criminal complaints against Leclerc.

Sig. Medici named as Montedison head man

By Dominick J. Coyle

ROME, July 14. SIG GIUSEPPE MEDICI, a former minister of both industry and external affairs, was today named as chairman of Montedison, the vast chemicals and textiles conglomerate, to replace the retiring Dr. Eugenio Cefis.

Sig Medici, a former senator representing the ruling minority Christian Democratic government, is aged 70, and his nomination to head the financially-troubled Montedison group is a clear indication that the company's private and public shareholders are determined to reach agreement on a compromise candidate between their respective nominees. In essence, Sig. Medici's candidature has been imposed by the government.

Papyrus disappoints as margins shrink

BY WILLIAM DUFFORCE

PAPYRUS, the Swedish pulp and board concern, reports pre-tax profits of Kr.122m. (£16.3m.) on sales of Kr.1.51bn. (£200m.) for the 18-month period ending March 31. The result indicates that the concern's margin shrank appreciably during the last six months of the period. A Wallenberg concern, Papyrus grew considerably in size last year, when it acquired Kopparfors Pulp and Paper. Kopparfors contributed Kr.616m. to the consolidated turnover during the 11 months to the end of March.

German Ford profit soars to £160m. as sales leap

BY GUY HAWTIN

FORD MOTOR Company's West German operation had a "superlative year" in 1976. Profit and turnover shot up and the Detroit parent received the equivalent of a 100 per cent dividend.

Indeed, 1976 will be a year that most of the Federal Republic's motor manufacturers will remember—if not for record profits, at least for a welcome change from 1975's recession. However, for some motor makers, Ford among them, 1976 was particularly memorable for its year and it seems likely that 1977 could prove equally good.

Liebherr sees sales rise

BY OUR OWN CORRESPONDENT

LIEBHERR, the West German while depreciation amounted to DM22.5m. The group's largest production sector was the cranes division, which manufactures cranes for the construction and shipbuilding industries, together with mobile cranes and those used for handling containers. Last year the division's turnover rose by 50.5 per cent to DM390m.

Rheinmetall sees growth

BY OUR OWN CORRESPONDENT

RHEINMETALL, the West German machinery and defence equipment manufacturer, is looking forward to an improvement both in sales and profits this year. Turnover is expected to rise by about 10 per cent, while earnings should remain the same level providing sources of income open to Rheinmetall's operations in a contract market.

Leclerc chiefs face probe

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Dollar sector marks time

BY MARY CAMPBELL

THE U.S. dollar sector of the market continued to mark time yesterday with little change in prices, though some dealers reported a fair level of activity. Floating rate notes were the weakest feature for no particular obvious reason.

Liebherr sees sales rise

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CITY OF MONTREAL Canada

DM 150,000,000 7% Bonds due 1987

Table listing various international banks and their branches, including Westdeutsche Landesbank, A.E. Ames & Co., Union Bank of Switzerland, etc.

All these bonds having been sold, this announcement appears as a matter of record only.

SELECTED EURODOLLAR BOND PRICES

Table showing mid-day indications for Eurodollar bond prices, including straight and floating rate notes from various issuers.

ADELA INVESTMENT COMPANY S.A.

U.S.\$25,000,000 Floating Rate Notes 1987. Notice is given pursuant to Condition 4(e) of the Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 11th July, 1977 to 9th Jan 1978 is at the annual rate of 8.00. The U.S. dollar...

SELECTION TRUST LIMITED

Issue of U.S. \$50,000,000 8 1/2 per cent. Bonds 1989. The issue price of the Bonds is 99 1/2 per cent. of their principal amount. The following have agreed to subscribe or procure subscribers for the Bonds: Morgan Grenfell & Co. Limited, Citicorp International Bank Limited, Kredietbank S.A. Luxembourg, Swiss Bank Corporation (Overseas) Limited.

German Ford to £160m. as...

Jebherr sees sales...

Rheinmetall sees growth...

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ular sector man...

ADELINK OF AMERICA...

ld Value of the Dollar...

SELECTION LIMITED...

1st issue of U.S. \$500k...

Anglo-Elementar takeover prompts public concern

BY PAUL LENDVAI VIENNA, July 14. THE TAKEOVER of the Vienna-based Anglo-Elementar Insurance Company by the West German Muenchener Allianz from Commercial Union has engendered here a public debate about what is described as an excessive foreign influence of the Austrian insurance business.

State industries raise turnover

BY OUR OWN CORRESPONDENT VIENNA, July 14. OIAG, the holding company for the Austrian nationalised industries, has reported a rise of 19 per cent in the combined turnover of the nationalised companies to Sch.36.5bn. (23,450m.) last year.

Share sale in Concorde Bank hits debts snag

By Richard Rolfe JOHANNESBURG, July 14. SUBSTANTIAL had debts may have arisen on the leasing book of the Concorde Bank. As a result the Messina (Transvaal) Development Company has broken off negotiations aimed at selling its 42 per cent stake in the bank.

El Al back in the black with \$280,000 profit

BY L. DANIEL TEL AVIV, July 14. EL AL Israel Airlines turned its 1975-76 loss of \$12m. into a net profit of \$280,000 in 1976-77 during what the chairman called, one of the best years in the company's history.

Electrochemical £7m. funding

BY OUR OWN CORRESPONDENT TEL AVIV, July 14. THE BIGGEST ever share issue by an Israeli industrial company will be made at the beginning of next week by Electrochemical Industries (Fruitarom). The proceeds of the issue, a minimum of £7m. (about \$17m.), will go towards new plant.

Cadbury India shares move

THE RESERVE Bank of India has directed the British-owned Cadbury India Ltd. to dilute its foreign shareholding from the existing level of 100 per cent to 40 per cent by the middle of 1978 under the Foreign Exchange Regulation Act, K. K. Sharma reports from New Delhi.

WHITE CHILD AND BENEY LIMITED.

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar. All documents for registration and correspondence should in future be sent to: Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA. Telephone: Worthing 502541 (STD Code 0903). F. STAFFORD, F.C.A., Director and Secretary.

Kubota sees sales upturn

OSAKA, July 14. KUBOTA EXPECTS consolidated sales for the current year will be 10 per cent, or more higher than in 1976-77, reports Reuters. The Japanese agricultural machinery maker is unable to predict net income on the same basis for the current year in view of the severe economic prospects and increased competition from local firms.

Trading fall in Basle

TURNOVER of the Basle Stock Exchange fell to Sw.Frs.11.1bn. in the first half of the year, from Sw.Frs.11.7bn. in the same period of 1976. The number of transactions was reduced from 47,963 to 43,109 reports John Wicks.

IMI profit rises 8%

ROME, July 14. ISTITUTO MOBILIARE Italiano (IMI), Italy's largest special credit institute, has reported a profit rise of some 8 per cent to 1,500m. (220m.) in the year to March 31, following extensive provisions against potential bad debts, writes our Rome correspondent.

Table with columns: Value of DLR, Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries like Guam, Cuba, Guyana, Haiti, Honduras, Iceland, India, Iran, Iraq, Israel, Ivory Coast, Jamaica, Japan, Jordan, Kampuchea, Korea, Kuwait, Laos, Lebanon, Lesotho, Liberia, Libya, Liechtenstein, Luxembourg, Macao, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Monaco, Morocco, Mozambique, Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Portugal, Qatar, Romania, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Is., Somalia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Switzerland, Syria, Taiwan, Tanzania, Thailand, Timor, Trinidad, Tunisia, Turkey, Uganda, U.S.A., Uruguay, USSR, Venezuela, Zambia, Zimbabwe.

Advertisement for NORSEA PIPELINE LIMITED. Includes logos for Phillips, Fina, Total, Elf Aquitaine, and logos for various member companies like Phillips Petroleum Company Norway, Norsk Agip A/S, etc. Text: U.S. \$75,000,000. NORSEA PIPELINE LIMITED. OWNED BY THE PHILLIPS GROUP. MANAGED BY CITICORP INTERNATIONAL GROUP, SOCIETE GENERALE DE BANQUE S.A., BANK OF AMERICA NT & SA, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, etc.

# FINANCIAL TIMES REPORT

Friday July 15 1977

# Charts and Statistics

A minor growth sector of the securities business is the statistical branch to be found nowadays in stockbroking and other City investment offices. In this Report KEITH LEWIS discusses the main areas of research and shows how the information is used.

**STATISTICS** exert a tremendous influence over the City. Behind every fund manager, commodity broker, institutional salesman or merchant banker is a whole welter of charts and statistics on which are based day-to-day decisions. Following in New York's footsteps, the City broker or fund manager who wants to stay ahead of the game is seeking to lay his hands on the most up-to-date information, and as quickly as possible.

A whole industry has sprung up in order to satisfy the City's appetite for more and more statistical information of an increasingly sophisticated kind. Fast disappearing is the situation where the fund manager meekly does what his favourite broker recommends, without question. The securities salesman, equipped with his own firm's backroom statistics, may well find that his fireproof case for buying this or that share is shot to pieces by the enlightened fund manager armed with his own figure work. Indeed it is not unusual for the institutional fund manager to tell the broker that it is not recommendations he wants so much—he can make up his own mind, thank you—he merely wants the offer of stock.

Legions of people are now gainfully employed in City offices producing statistics. Some of the material is for internal consumption, some to back up salesmen and some for sale. The quality naturally varies enormously. Some brokers employ academics and accountants produce tremendously authoritative works which are avidly read, obeyed and kept for reference. Others produce extremely lightweight commentary which in all probability finds its way into the waste basket.

A study was carried out not so long ago into the quality of stockbrokers' circulars by the Department of Economics at the University of Bristol. The

## The backroom back-up

survey started off by pointing out that even company executives experienced difficulty in forecasting and that it could hardly be expected that outsiders, not equipped with the most up-to-date information, would fare any better.

The survey was in fact a source of some encouragement. Out of the 600 or so profit forecasts taken as a sample, the study found that almost a third were within plus or minus 5 per cent. of the final outcome. Just over half were within 10 per cent. either way. It concluded that despite the lack of the

same amount of information, brokers were "nearly as good as company executives in predicting profits for periods of up to one year ahead."

The report, while proving that at least some brokers' efforts were worthwhile, was not all glowing. At one point, the report says, "Sometimes the comments are as pious as those not infrequently found in the less well informed Financial Press and are fairly obviously the work of inexperienced research staff."

It is most unlikely that even the most diligent researcher will produce all his own statistics. He will almost certainly study the report and accounts of the companies in question—which themselves contain greatly improved statistical information, including key ratios—but at some point he will also look to one of the statistical services to which his firm subscribes. This could mean the excellent and unopposed Exchange Telegraph Card or, if he is very lucky, he will have a terminal plugged into one of the computer-based services that are now available.

It was perhaps inevitable that computers would come to be used to store the vast amount

of relevant economic and corporate data. What is surprising is that their use has taken so long to get off the ground in this country, especially since in America they have been part of the furniture for some time. The explanation undoubtedly has something to do with the expense of setting up the operation.

That DataSTREAM has been a success is not in question. The change of ownership last summer—Hoare Govett sold almost its entire holding to a consortium headed by BOC International and Touche Remyant—should also mean that it will have more appeal to London stockbroking firms and that there will be no problems about finance as the DataSTREAM service is promoted throughout Europe. It was perfectly understandable that the partners in Hoare Govett, who have an unlimited liability, felt the sums were getting just a little too high should anything have gone wrong.

However, while DataSTREAM continues to develop it will also begin to face competition for the first time. Exchange Telegraph is putting the huge fund of information that can be found on its cards on to computer tape in a new service called Exstat. To use it, the subscriber must either have a computer of its own or buy computer time. The other way is to take the service through Interactive Data Corporation, a Chase Manhattan Bank subsidiary that has set up shop in

the U.K. The link between these two forms a powerful combination since Exchange Telegraph's information runs to 2,000 U.K. companies and Interactive has extensive information on America and some other markets. In total, the subscriber will have access to information on 5,900 of the largest industrial companies outside of Japan.

The City's greater acceptance of technical analysis as a valuable investment tool—some would go as far as to say the only investment tool worth using. Certainly the value of charting in giving an instant and comprehensive picture of what has happened in a share or a commodity price or a currency is undeniable. Whether to further and enter the world is therefore better equipped analysing patterns and forming a choice. This amounts to whether you believe in trends to predict future profit or dividend trends based on historical statistics, come from the company's executive and what is known of particular area that the company operates in or (b) display with such fundamental facts and following the market and the forces of supply and demand as this shows up price fluctuations. Some prefer to use both; the fundamentals to assess the quality of a company and the technical analysis for timing any subsequent action.

Where charts have made a tremendous headway is in the area of commodities, where it is all about timing and following the money. Aside from whether this or that crop will fail or whether a gold mine likely to fold up, there are few fundamentals to worry about. Nothing like income considerations of "investor" is there to cloud the picture. It is all about capital gain speculation. Applied in commodity charts have proved in this market is in line with extremely valuable.

### Pioneer

The pioneer in this field in every respect has been stockbrokers Hoare Govett, which formed a subsidiary, called DataSTREAM in 1964. The idea was that the system would not only be for the employees of Hoare Govett but would be available to anyone in the City as a service, for a fee.

All of the statistics on U.K. companies were generated by the DataSTREAM research team. In order to get all the information, the organisation had to buy one share in each firm so that the accounts were automatically posted. The information on the other markets was not so easy. The research team produces its own statistics for the Dutch, Hong Kong and Japanese markets, but otherwise the data is "bought in" in

## Performance measurement

ALMOST EVERY stockbroking firm has either a research department or a research capability. The information is required partly for internal consumption—for example, in the management of private clients' funds—but more significantly its purpose is to generate the business on which the broker lives. Every institutional salesman is also entitled to some sort of back up in order that he can present a plausible statistical case to the fund managers he has to confront.

Huge amounts of money go into producing literature that is designed to stimulate business. Often this will take the form of an in-depth study of a sector, or even a single company. Sometimes it is no more than a short market newsletter and on other occasions it is an academic work of major significance. Certain firms have built their reputations solely on the excellence of their research. Other firms become associated with a sector in which they specialise and from which they generate a great deal of business. Individual analysts, too, create a reputation, and when they shut up they frequently take that specialty (and business) with them.

But statistics can on occasions eclipse other considerations to an undesirable extent. The unit trust sector is a case in point. Unlike investment trusts, which have a fixed capital, the size of a unit trust varies as investors either buy or sell units. Since the management receives its fee not only on an annual basis as a percentage of the fund but on the far heavier initial fee that comes with new purchases, the pressure is on the management to keep selling units. The way they have gone about this is to promote trusts on the basis of their performance, either relative to the competition or to the market.

Handing out of prizes or words of encouragement in the fund management is a common sight. In passing judgment on performance, whether dealing with stockbrokers' reviews or fund managers, it is quite true that one should draw on all statistical evidence one musters, but the real skill in the interpretation of the perspective.

**Weight**

In short, the mass of information produced by stockbrokers' offices varies enormously in terms of presentation, quality and even purpose—for some it may merely be for prestige. It can either shift a market or pass unnoticed. Some foreign loan positions, it is possible to apply the sector and international indices to that portfolio throughout the interim period and to arrive at a sum that should not be too far out.

It is impossible to know to what extent the brokers' efforts are read or rewarded, whether the literature is discarded or filed or whether the buy or sell recommendations that inevitably accompany most research actually prompt fund managers to act. But it is possible in the extent that it is quite large sums of the quality. A normal to make money out of dealing in inferior performance trusts—in terms of their asset values—by watching the price almost a third were within 5

**Nightmare**

This is a marvellously simple way of marketing the trust but a nightmare for the person whose shoulders it falls to keep the fund moving ahead of the competition. If the trust begins to fall behind there is the obvious temptation for the fund manager to begin to turn his portfolio over more rapidly and perhaps go for more high risk shares in the all-out pursuit of growth.


The other side-effect of this emphasis on performance is that investors only buy after the fund has performed well and not before, when they could have benefited the most. It also means that the fund manager is given money to invest at the top of the market and has it taken away from him just when he should be putting cash back in.

Fortunately, this pre-occupation with performance has subsided to a large extent and it appears that such statistics on unit trusts as those produced by Money Management and Gutholder, Planned Savings and the Investors Chronicle are now at least in perspective. It is naturally important to keep performance in mind. But it is far more valuable for those whose judgment on timing is suspect to be invested in a consistent performer rather than one that moves well in the short term but then fizzles out.

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*Handwritten signature: JPKios SA*

# Stic chartism gains ground

to be  
s Report  
nation is used.

— OR technical hope (or belief) that history will repeat itself, projects the same formula forward as if it had some magical and enduring significance. In terms of credibility the chartists have not really helped their cause by the jargon they use. The talk of "head and shoulders," "flags" and "penchants" formations is enough to make those who are not part of the game cringe.

It does not inspire faith that the chartists do not even agree among themselves—rather in the fashion of economists. Some chartists react to patterns while others watch for strength and momentum.

## Purists

The common denominator, however, is always the price. The purists would argue that the price alone contains all the fundamentals there are—profits, expectations of future profits, etc.—and that it also reflects the buying selling pressures from all investors. From whatever standpoint—whether he can accept the facts and go and find something else. Either way it is frustrating.

The technical analyst may also point to the "arrogance" of the fundamentalist who is really trying to forecast future profitability when that company's management, with infinitely more up-to-date information, is itself incapable of looking ahead with any degree of certainty.

So, the technical analyst's argument runs, you go full circle and end up with the only certain thing—the price and its strength or weakness. But just plotting the share price and watching for signals seems too

simple for the fundamentalists' stomach. Their attitude appears to be that if you have not spent weeks or even months sifting through pages of statistics, then the end result cannot be any good. They find it difficult to swallow that work rate or effort does not necessarily have any relationship with success.

But the chartists themselves are not uniform in their approach—which is just as well, since if it were all as simple as that there would be no market at all. Some technicians favour point and figure charts, others bar charts. Some relate price fluctuations to indices to judge relative strength; some relate to money supply; some to gilts. If you relate to too many factors then you can become more confused than ever. And if there is really a true relationship between one medium and another, it is unlikely to be enduring once everyone has spotted it.

For those who put their faith in patterns and formations it is worth pointing out that there is one fatal flaw. A pattern that appears on one chart can be made to disappear, or at least be rendered insignificant, merely by changing the scale of the chart.

A lot of thought is also being given to investor psychology. Share prices rarely move strongly in either direction for any great period of time: they leap up and down occasionally, but most of the time drift more or less sideways. Technical analysts study carefully the so-called "herd instinct."

As a share price begins to move in a positive way, it attracts attention and more people pile in and exaggerate that trend further. That in

turn attracts still more people and the share price can clearly be seen on a graph to accelerate towards a climax. The theory is that the steeper the rate of climb or descent the closer you are to seeing the trend reverse—that is, a time for the shrewd to either jump in or out.

Shares can also be seen to move within a rough range; it may move up and down at times but never really breaks out convincingly at either the top or bottom end. However, when it does move out, holds the move and consolidates, then apparently is the time to take a closer look.

## Select

Whether one finds all this impressive rather depends on where one stands as an investor. Clearly, those who require an income would select their shares on an entirely different basis. But if capital gain is the order of the day then it may be more appealing. The trouble is that most shares are pretty dull in that they follow the market and every bull market throws up only relatively few that truly outperform the rest—and it is not the same shares every time.

If technical analysis can help highlight those lucrative few it will have served its purpose. Clearly, to plot all shares in the quest to find the superior performer is an impossible task for some investors particularly on a private basis, so it then comes down to choosing the chart service that suits the individual.

But what it all comes down to in the end is the use that is made of those charts and the conclusions that are drawn from them. The charts will not say anything—if there is something unmistakable then it is certain that hordes of other people will have spotted the same thing anyway—and different people will see different things they regard as significant in the same chart. In short, technical analysis, the same as the ability to calculate sophisticated ratios, is not the magic key to riches. But it may help.

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# Cards and computers store the data

STMENT analyst, Hoare Govett and otherwise, must have statistical information in the process of investment and even begin at information is over 200 is and costly and, the depth and how rich needs to go possible to start up. This all eyes to ex-nost total dependence City on the n the field.

Moody's cards r with us, the oration on U.K. dominated by the telegraph card. ks, brokers, the and all-investing heavily on which give a comprehensive company's structure, and financial

not only made the service more acceptable to brokers firms, it has also given the DataSTREAM executive the confidence to move into the Continental markets in the knowledge that it has huge backing if and when required.

The service itself is developing too. The statistics—which have been done for years—are all DataSTREAM's own for the U.K.—regarding balance sheet items—are supplemented as quickly as by economic and price information. For £10,000 a year (the of computers price it costs to install DataSTREAM) it is possible to have a DataSTREAM stream of information on command in this field parties in all the major stock it was started in markets in any language and on stockbrokers in any combination. Thus it is

possible to ask the computer to list, say, all the companies in one sector which have a return on capital employed of a minimum percentage, in descending order. It is also possible to extract an opinion or value a portfolio.

## Higher

On an even higher plane, it is possible to see what effects changes in economic policy can have on the economy as a whole by feeding the information through the two econometric models—one U.K., one U.S.—stored in the computer.

DataSTREAM's virtual monopoly in computer-based statistics is now being challenged. Exchange Telegraph has struck back with the formation of Exstat—a sort of Exchange Telegraph card on computer tape. Information on over 2,000 British, European and Australian companies is stored, giving 180 profit and loss accounts and balance sheet items for each company.

A very significant link has been forged with Interactive Data Corporation (IDC), a subsidiary of Chase Manhattan Bank. There are basically two ways to gain access to information stored on Exstat. One is to take an updated tape every week and use it on your own computer or buy computer time elsewhere; the other is to opt for access via a time-sharing arrangement through Interactive Data Corporation.

In practice this means a terminal in the office which is activated by a dialled-in telephone call to IDC's computer.

If you become a customer of IDC, rather than a customer of Exstat alone, there is further access to IDC's own data bank on U.S. companies. In all IDC (using Exstat) can give information on 5,900 leading Western companies.

But some take an interest in other markets than just equities and in other forms of information: than raw statistics—in charts, for example.

One up-and-coming group specialising in charts and statistics, but only in the area of commodities, is Eurochart, a subsidiary of Eurocommodities. The charts cover not only the London Metal Exchange, but also New York, Chicago, the Sydney wool and Amsterdam potato markets and currencies. The charts are all updated on the Friday evening after the markets have closed and printing continues throughout the night in time to catch the Saturday midday post so that the customer can start the week

bang up to date. The information comes with full technical analysis by the firm's researchers.

The second leg of the business is the Commodities data bank which has only just started life. The service will provide "on-line" information—high, low, close, volume—which includes the Financial Times Actuaries Commodity and All Share indices, and other indices from Moody, Reuter and Dow Jones. Currency and economic data are also stored.

Access is on the time-sharing basis and an easy-to-use system of "computer language" has been developed so that the subscriber does not have to be a computer expert to obtain the benefits. According to the firm, the programme contains every known mathematical form and it is possible to obtain a forecast by marrying up the economic and fundamental data with technical analysis.

Other Eurochart services include quarterly publications, a consultancy service—you can phone in for instant interpretation from a technical analyst—a specialised chart service and an option evaluation programme.

## Embraces

There are in fact quite a number of specialist chart firms. Chart Analysis, for example, embraces the whole range, from commodities to equities and currencies. It produces a weekly book of "point and figure" charts on 800 leading U.K. companies, another book of leading shares in 18 international stock markets and both point and figure and bar charts for the commodities markets. It will also accept special research projects.

Similar ground is covered by Investment Research, which is based in Cambridge. The presentation is different in that the charts produced are "daily range" and "close"; that is, bar charts and the continuous line graph coupled with a relative strength indicator. This service covers around 600 U.K. equities. There is also a microfilm service to cover the London stock market and two further services to cover the commodities.

Clearly then, the number of organisations selling statistical services—whether in raw or graph form—is on the increase. Current indications are that the approach will be one of increasing sophistication and a more international approach, though in time to catch the Saturday midday post so that the customer can start the week

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FOREIGN EXCHANGES

GOLD MARKET

Dollar firmer

Lower interest rates in some European centres helped the U.S. dollar to improve in the foreign exchange market yesterday.

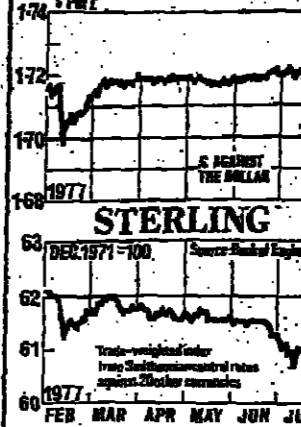


Table of Gold Market prices including Gold Bullion, Gold Coins, and Gold Bars.

CURRENCY RATES

Table of Currency Rates for various countries including New York, London, and others.

The U.K. trade figures for June were generally well received, but sterling lost ground against the dollar to close at \$1.7645.

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EXCHANGE CROSS-RATES

Table of Exchange Cross-Rates for various international currencies.

U.S. \$ in Montreal C.S. \$ = 105.88 per Canadian Dollar. U.S. \$ in New York C.S. \$ = 84.28 per U.S. cent.

EURO-CURRENCY INTEREST RATES

Table of Euro-Currency Interest Rates for various currencies and maturities.

Forward Rates for various currencies including New York, London, and others.

GERMANY

TOKYO

Tables of stock prices for Germany and Tokyo.

AUSTRALIA

Table of stock prices for Australia.

BRUSSELS/LUXEMBOURG

PARIS

Tables of stock prices for Brussels/Luxembourg and Paris.

OSLO

Table of stock prices for Oslo.

AMSTERDAM

SWITZERLAND

Tables of stock prices for Amsterdam and Switzerland.

MILAN

Table of stock prices for Milan.

COPENHAGEN

VIENNA

Tables of stock prices for Copenhagen and Vienna.

Wall Street was closed yesterday because of the City-wide power failure. Other Stock and Commodity Markets and also Banks in the City also remained closed.

TORONTO, July 14.

OVERSEAS MARKETS Canada buoyant again

BY OUR CANADIAN CORRESPONDENT

SHARE PRICES showed fresh strength on Canadian Stock Markets to-day in heavy trading.

The Toronto Composite Index moved ahead 7 points more to 1033.4 its highest level since last September 22.

Part of the volume reflected Maclean-Hunter Ltd's offer for shares of Maclean-Hunter Cable TV, which turned over 632,746 shares.

WEDNESDAY'S ACTIVE STOCKS

Table of Wednesday's Active Stocks including TSE 300, Industrial, and other indices.

OTHER MARKETS

PARIS—Market closed yesterday for Bastille Day.

BRUSSELS—Prices made a mixed showing after another trading session.

AMSTERDAM—The market firmed in slow trading after discussions aimed at forming a new Government coalition.

JOHANNESBURG—Gold shares were quietly firmer in line with the higher bullion price.

MINING—Financials generally advanced in line with Prospekt.

VIENNA—Generally steady. Semper improved 4 to 15.

MILAN—Generally higher in quiet trading mainly reflecting technical factors.

COPENHAGEN—Mainly easier broadly lower as recently hunted "lower-priced" speculative issues were sold.

OSLO—Banks, Insurances and Shipping, were quiet, while Industrials were irregular.

STOCKS—Generally higher in quiet trading mainly reflecting technical factors.

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Indices

Table of Indices including New York Dow Jones, Standard and Poors, and other market indicators.

INDICES

Table of Indices including Montreal, Toronto, and other market indicators.

OVERSEAS SHARE INFORMATION

Large table of Overseas Share Information listing various international stocks and their prices.

Vertical text on the right edge of the page, including 'spa', 'Brit', 'MY MARKET', and 'COPPER'.



MINING AND RAW MATERIALS

Isby aid fishing

AIMED at re- Britain's fishing fleet international limits should be... The common market commission has set the scene for another pitched battle between Mr. John Silkin, U.K. Agriculture Minister...

NZ butter price snub may spark fresh EEC battle

BY CHRISTOPHER PARKES THE COMMON Market Commission has set the scene for another pitched battle between Mr. John Silkin, U.K. Agriculture Minister and his EEC counterparts...

W. Germany uses less cocoa

By Our Commodities Staff THE LONDON cocoa futures market shrugged off a sharp decline in West German second quarter cocoa consumption...

Food stockpiles not the answer

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT AFTER ALL the scares of universal starvation during the last few years it is ironic that the... This practice reached its height in 1965 when President Roosevelt started paying farmers...

life potato

AVH. July 14. ES of potatoes, firm and fresh... The price has risen to \$2.20 and \$2.20...

British grain storage assured

BY CHRISTOPHER PARKES BRITAIN'S agricultural support buying agency is building up a network of converted aircraft hangars, redundant railway stations and other premises...

Japan buying boosts sugar

By Our Commodities Staff JAPANESE REFINERS have been buying sugar on the world market to avoid any shortages...

U.S. soyabean crop rise forecast

WASHINGTON, July 14. THE U.S. Agriculture department projected soyabean production in the 1977/78 season will be about one-fourth larger than the 1976/77 season...

new low

July 14. The price has risen to \$2.20 and \$2.20... The price has risen to \$2.20 and \$2.20...

Palm oil supply pledge

BY OUR OWN CORRESPONDENT MALAYSIA'S Minister of Primary Industries, Datuk Musa Hitam, has assured local palm oil refiners that crude palm oil production would exceed local refining capacity in the years ahead...

Japan buying boosts sugar

By Our Commodities Staff JAPANESE REFINERS have been buying sugar on the world market to avoid any shortages...

CITY MARKET REPORTS AND PRICES

Table with columns for various commodities like Tin, Rubber, and Soyabean Meal, showing prices and changes.

COFFEE

Table showing coffee prices for various grades and origins, including Arabica and Robusta.

RUBBER

Table showing rubber prices for different types and grades.

PRICE CHANGES

Table listing price changes for various commodities such as metals, oils, and grains.

U.S. Markets

Table showing U.S. market prices for commodities like soyabean meal and flour.

COPPER

Importance of copper as metal used throughout industry... The effect of relatively low price development and investment dependence on Third World output.

GRAINS

Table showing grain prices for wheat, barley, and other cereals.

SUGAR

Table showing sugar prices for various grades and origins.

WOOL FUTURES

Table showing wool futures prices for different grades and origins.

Chicago open despite New York closure

CHICAGO, July 14. U.S. DISTRICT COURT Judge John Crowley yesterday denied a motion by four leading U.S. commission houses for a temporary restraining order to prevent trading on the Chicago Board of Trade.

SILVER

Table showing silver prices for various grades and origins.

WHEAT

Table showing wheat prices for different grades and origins.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types.

FINANCIAL TIMES

Table showing financial data and indices from the Financial Times.

Bigger U.S. cotton crop

THE U.S. Agriculture Department has said that a 15 per cent increase in cotton acreage points to a much larger crop in the 1977/78 season than the 10.6m. bales estimated for the current season.

COCOA

Table showing cocoa prices for various grades and origins.

JUTE

Table showing jute prices for different grades and origins.

REUTERS

Table showing Reuters market data and indices.

MOODY'S

Table showing Moody's credit ratings and financial data.

DOW JONES

Table showing Dow Jones stock market indices.

FINANCIAL TIMES BUSINESS NEWSPAPER

Publication date is August 19 date is August 9 1977. For full a synopsis and advertising rates in Hicks, Financial Times, Bracken Street, London EC4A 4BY. 3000, ext. 7112. Telex: 835033

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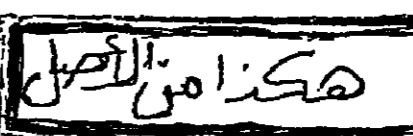
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# AUTHORISED UNIT TRUSTS

# OFFSHORE AND OVERSEAS FUNDS

<b>Practical Invest. Co. Ltd. (VIC)</b> Practical Inv. Co. Ltd. (VIC) Practical Inv. Co. Ltd. (VIC) Practical Inv. Co. Ltd. (VIC)	<b>Guardian Royal Ex. Unit Mgrs. Ltd.</b> Guardian Royal Ex. Unit Mgrs. Ltd. Guardian Royal Ex. Unit Mgrs. Ltd. Guardian Royal Ex. Unit Mgrs. Ltd.	<b>Provincial Life Inv. Co. Ltd.</b> Provincial Life Inv. Co. Ltd. Provincial Life Inv. Co. Ltd. Provincial Life Inv. Co. Ltd.	<b>Practical Invest. Co. Ltd. (VIC)</b> Practical Inv. Co. Ltd. (VIC) Practical Inv. Co. Ltd. (VIC) Practical Inv. Co. Ltd. (VIC)
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<b>Arbuthnot Securities (C.I.) Limited</b> Arbuthnot Securities (C.I.) Limited Arbuthnot Securities (C.I.) Limited Arbuthnot Securities (C.I.) Limited	<b>First City Fund Mgrs. Ltd.</b> First City Fund Mgrs. Ltd. First City Fund Mgrs. Ltd. First City Fund Mgrs. Ltd.	<b>Kemp-Gee Management Jersey Ltd.</b> Kemp-Gee Management Jersey Ltd. Kemp-Gee Management Jersey Ltd. Kemp-Gee Management Jersey Ltd.	<b>Save &amp; Prosper International</b> Save & Prosper International Save & Prosper International Save & Prosper International
<b>Arbuthnot Securities (C.I.) Limited</b> Arbuthnot Securities (C.I.) Limited Arbuthnot Securities (C.I.) Limited Arbuthnot Securities (C.I.) Limited	<b>First City Fund Mgrs. Ltd.</b> First City Fund Mgrs. Ltd. First City Fund Mgrs. Ltd. First City Fund Mgrs. Ltd.	<b>Kemp-Gee Management Jersey Ltd.</b> Kemp-Gee Management Jersey Ltd. Kemp-Gee Management Jersey Ltd. Kemp-Gee Management Jersey Ltd.	<b>Save &amp; Prosper International</b> Save & Prosper International Save & Prosper International Save & Prosper International

## LENDING RATES

<b>Bank of England</b>	8 1/2%
<b>Bank of Ireland</b>	8 1/2%
<b>Bank of Scotland</b>	8 1/2%
<b>Bank of Montreal</b>	8 1/2%
<b>Bank of America</b>	8 1/2%
<b>Bank of Canada</b>	8 1/2%
<b>Bank of New Zealand</b>	8 1/2%
<b>Bank of South Africa</b>	8 1/2%
<b>Bank of Australia</b>	8 1/2%
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<b>Bank of East Africa</b>	8 1/2%
<b>Bank of East Asia</b>	8 1/2%

## RICE MOVEMENTS

<b>London</b>	1.010	1.010	895
<b>London</b>	1.010	1.010	895
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# INSURANCE, PROPERTY, BONDS

<b>Abbey Life Assurance Co. Ltd.</b> Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd. Abbey Life Assurance Co. Ltd.	<b>Equity &amp; Law Life Ass. Soc. Ltd.</b> Equity & Law Life Ass. Soc. Ltd. Equity & Law Life Ass. Soc. Ltd. Equity & Law Life Ass. Soc. Ltd.	<b>New Court Property Fund Mgrs. Ltd.</b> New Court Property Fund Mgrs. Ltd. New Court Property Fund Mgrs. Ltd. New Court Property Fund Mgrs. Ltd.	<b>Solar Life Assurance Limited</b> Solar Life Assurance Limited Solar Life Assurance Limited Solar Life Assurance Limited
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## MEMBERS OF THE ACCEPTING HOUSES

<b>Bank of England</b>	8 1/2%
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**CLIVE INVESTMENTS LIMITED**  
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101  
Index Guide as at 5th July, 1977 (Base 100 at 14.1.77)

Clive Fixed Interest Capital	105.03
Clive Fixed Interest Income	113.61

CORAL INDEX: Close 448-453

**INSURANCE BASE RATES**

Property Growth	10%
Canon Assurance	5%

Address shown under Insurance and Property Bond Tables.

FT SHARE INFORMATION SERVICE

W. BERRY TEMPLETON LTD

Property Consultants to Commerce and Industry

47 Great Russell Street London WC1B 3PA 01-6374577

BRITISH FUNDS

Table with columns: Stock, Price, High, Low, Change. Lists various British funds like 'Shorts (Lives up to Five Years)', 'Treasury Stock', etc.

INTERNATIONAL BANK

Table with columns: Stock, Price, High, Low, Change. Lists international bank shares like 'Bank of Montreal', 'Royal Bank', etc.

OPERATION LOANS

Table with columns: Stock, Price, High, Low, Change. Lists various operation loans.

COMMONWEALTH & AFRICAN LOANS

Table with columns: Stock, Price, High, Low, Change. Lists commonwealth and African loans.

FOREIGN BONDS & RAIS

Table with columns: Stock, Price, High, Low, Change. Lists foreign bonds and rais.

AMERICANS

Table with columns: Stock, Price, High, Low, Change. Lists American shares like 'ASA', 'AMP', etc.

BEERS, WINES AND SPIRITS

Table with columns: Stock, Price, High, Low, Change. Lists beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: Stock, Price, High, Low, Change. Lists building industry, timber, and roads companies.

CINEMAS, THEATRES AND TV

Table with columns: Stock, Price, High, Low, Change. Lists cinema, theatre, and TV companies.

DRAPERY AND STORES

Table with columns: Stock, Price, High, Low, Change. Lists drapery and store companies.

ENGINEERING, MACHINE TOOLS

Table with columns: Stock, Price, High, Low, Change. Lists engineering and machine tool companies.

CANADIANS

Table with columns: Stock, Price, High, Low, Change. Lists Canadian shares like 'Bank of Montreal', 'Royal Bank', etc.

BANKS AND HIRE PURCHASE

Table with columns: Stock, Price, High, Low, Change. Lists banks and hire purchase companies.

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BUILDING INDUSTRY - Continued

Table with columns: Stock, Price, High, Low, Change. Continued list of building industry, timber, and roads companies.

DRAPERY AND STORES - Continued

Table with columns: Stock, Price, High, Low, Change. Continued list of drapery and store companies.

ENGINEERING - Continued

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Conversion factor 0.7156 (0.716)

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مركز الاستثمار

STOCKS-Continued

Table listing various stocks with columns for Name, Price, and other financial metrics.

MOTORS, AIRCRAFT TRADES

Table listing various motor and aircraft trade companies with columns for Name, Price, and other financial metrics.

PROPERTY-Continued

Table listing various property-related companies and investments with columns for Name, Price, and other financial metrics.

TRUSTS-Continued

Table listing various trusts with columns for Name, Price, and other financial metrics.

TRUSTS-Continued

Table listing various trusts with columns for Name, Price, and other financial metrics.

NOMURA The Nomura Securities Co., Ltd. advertisement with contact information for London and New York offices.

MINES-Continued table listing various mining companies and their stock prices.

AUSTRALIAN table listing various Australian companies and their stock prices.

TINS table listing various tin companies and their stock prices.

MISCELLANEOUS table listing various miscellaneous companies and their stock prices.

NOTES section providing detailed information and disclaimers regarding the data presented in the tables.

NEWSPAPERS, PUBLISHERS

Table listing various newspaper and publishing companies with columns for Name, Price, and other financial metrics.

TEXTILES

Table listing various textile companies with columns for Name, Price, and other financial metrics.

PAPER, PRINTING, ADVERTISING

Table listing various paper, printing, and advertising companies with columns for Name, Price, and other financial metrics.

TOBACCO

Table listing various tobacco companies with columns for Name, Price, and other financial metrics.

TRUSTS, FINANCE, LAND

Table listing various trusts, finance, and land-related companies with columns for Name, Price, and other financial metrics.

SURANCE

Table listing various insurance companies with columns for Name, Price, and other financial metrics.

Finance, Land, etc

Table listing various finance, land, and other related companies with columns for Name, Price, and other financial metrics.

OVERSEAS TRADERS

Table listing various overseas trading companies with columns for Name, Price, and other financial metrics.

RUBBERS AND SISALS

Table listing various rubber and sisal companies with columns for Name, Price, and other financial metrics.

TEAS

Table listing various tea companies with columns for Name, Price, and other financial metrics.

India and Bangladesh

Table listing various companies from India and Bangladesh with columns for Name, Price, and other financial metrics.

Sri Lanka

Table listing various companies from Sri Lanka with columns for Name, Price, and other financial metrics.

Africa

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MINES

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CENTRAL RAND

Table listing various companies from the Central Rand region with columns for Name, Price, and other financial metrics.

EASTERN RAND

Table listing various companies from the Eastern Rand region with columns for Name, Price, and other financial metrics.

FAR WEST RAND

Table listing various companies from the Far West Rand region with columns for Name, Price, and other financial metrics.

O.F.S.

Table listing various O.F.S. companies with columns for Name, Price, and other financial metrics.

FINANCE

Table listing various finance-related companies with columns for Name, Price, and other financial metrics.

DIAMOND AND PLATINUM

Table listing various diamond and platinum companies with columns for Name, Price, and other financial metrics.

REGIONAL MARKETS

Table listing regional market data for various areas, including Sheffield, Bradford, and others.

OPTIONS 3-month Call rates

Table listing 3-month call option rates for various companies and sectors.

A selection of Options traded is given on the London Stock Exchange Report page



FINANCIAL TIMES



End over-capacity in fibre production, EEC demands

BY GUY DE JONGHERES, COMMON MARKET CORRESPONDENT BRUSSELS, July 14. A bid to sort out Europe's over-capacity to produce synthetic fibre is being made by the EEC Commission...

He added that the European Investment Bank would be asked not to grant any new loans designed to finance an increase in synthetic fibre capacity in the EEC. Individual manufacturers would be requested to supply regular data to permit the Commission to monitor developments more closely.

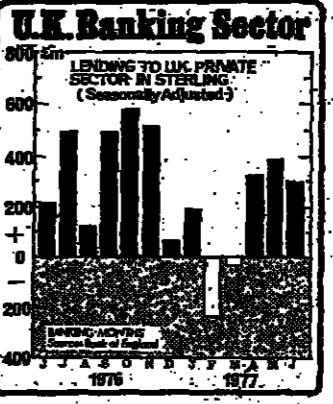
Election expected as Kerr resigns

BY KENNETH RANDALL CANBERRA, July 14. THE RESIGNATION OF Sir John Kerr as Australian Governor-General is expected to be followed by a general election within the next year. The most likely date for the election is mid-May...

Waiting for the Chancellor

Although the City was confused yesterday by the rescheduling of today's expected White Paper and by the plan for a confidence debate in the Commons next week...

Index 449.9 (same)



In addition, there are that the excess stocks of whisky which emerged this second half of the could finally be starting down. This would help reduce the scope for a...

ICI drops plan to use cars for pay rises

BY NICK GAMETT, Labour Staff ICI'S SCHEME to give top executives company cars in place of pay rises has been scrapped after objections from the Department of Employment.

Gas prices pegged but no rebate for consumers

BRITISH GAS has been ordered by the Price Commission to peg its prices until £36.6m worth of excess profits have been used. But the consumer will gain through a longer period of stable prices rather than through a rebate.

At the same time Sir John is understood to have been anxious to step out of official life at the earliest opportunity to argue his own side of the Australian political crisis...

Sharp rise in money supply growth

THE GROWTH of money supply accelerated last month after the pause in May, though in the first two months of the current financial year it has fallen well below the target range set by the Government.

Gas prices pegged but no rebate for consumers

THE GROWTH of money supply accelerated last month after the pause in May, though in the first two months of the current financial year it has fallen well below the target range set by the Government.

Swiss Aluminium Australia Limited

Swiss Aluminium Australia Limited (AUSTRASWISS) U.S. DLR50,000,000 Guaranteed Floating Rate Notes 1984

Alaskan pipeline hitch

THE TRANS-ALASKAN pipeline will be operated at little more than two-thirds capacity when it is reopened following the pump station explosion and fire on July 8.

Schmidt predicts 4.5% growth

HELMUT SCHMIDT, the West German Chancellor, contended strongly here today that his country was more than bearing its share of the load required to bring down its unemployment rate significantly.

NOTICE OF REDEMPTION to ALL the holders of (AUSTRASWISS)

Swiss Aluminium Australia Limited U.S. DLR50,000,000 Guaranteed Floating Rate Notes 1984 Unconditionally Guaranteed By Swiss Aluminium Ltd.

No White Paper

inevitably lead to the fall of Mr. Callaghan's administration. Although a White Paper, has been abandoned for the time being one might be legally necessary to trigger some of the Price Code provisions under the Remuneration Charges and Grants Act of 1975.

Weather

Table with columns for U.K. TO-DAY, MAINLY Dry, and BUSINESS CENTRES with weather forecasts for various cities.

Three MPs criticised

ling was not only deputy leader of the Conservative party but his chief spokesman on the Commonwealth, colonies and overseas development.

Vertical text on the right edge of the page, including 'PAC', 'Mission', 'Finance', 'weather', and 'PRICE CHANGES Y'.